

Exercise 7 — Current Equity Market Inflows, GDP, and Equity Holdings

Exercise 7, Artifact 1 • Baseline Data Year: 2025 • Sources: Federal Reserve Z.1 / DFA, BEA, ICI

Part A — Annual Equity Market Inflows and GDP (2025)

The following table establishes the 2025 macro baseline: total annual flows into U.S. equity markets from employment-linked retirement contributions and direct market purchases, alongside full-year nominal GDP as the foundational economic scale measure.

Indicator	Amount (USD)
Total Annual Equity Market Inflows (2025 est.)	\$1.05T
Total U.S. Nominal GDP (2025 Full Year, BEA)	\$30.3T

Equity market inflows are estimated as the sum of: (1) employee 401(k) and 403(b) deferrals (~\$300B), (2) employer matching contributions (~\$200B), (3) IRA contributions (~\$80B), and (4) net domestic equity ETF inflows (~\$650B per ICI 2025 Fact Book), less domestic equity mutual fund outflows (~\$230B). The \$1.05T figure represents aggregate new capital directed to equity markets in 2025 — the flow that is mechanically linked to employment levels and wages.

Part B — U.S. Household Wealth and Equity Holdings by Quintile (Q3 2025)

The following table presents household net worth and direct/indirect equity holdings by wealth percentile group, sourced from the Federal Reserve's Distributional Financial Accounts (DFA), Q3 2025 — the most authoritative quarterly source for this data. A per-household column has been added for each aggregate figure; household counts are derived from 132.9 million total U.S. households (Census Bureau / IBISWorld 2025) distributed across each percentile band.

Q	Household Wealth Description	Household Count	Household Net Worth (Total)	Net Worth per Household	Value of U.S. Equity Holdings (Total)	U.S. Equity Holdings per Household
1	Top 1% Top 0.1% of households by wealth	133K	\$23.0T	\$173.06M	\$15.8T	\$118.89M
2	99%–99.9% 99th to 99.9th percentile (0.9%)	1.20M	\$30.0T	\$25.08M	\$12.4T	\$10.37M
3	90%–99% 90th to 99th wealth percentile (9%)	11.96M	\$65.1T	\$5.44M	\$19.7T	\$1.65M
4	50%–90% 50th to 90th wealth percentile (40%)	53.16M	\$49.3T	\$927,389	\$7.3T	\$137,321
5	Below 50% Bottom half of households by wealth	66.45M	\$8.8T	\$132,430	\$1.1T	\$16,554
—	TOTAL — All U.S. Households	132.90M	\$176.2T	\$1.33M avg	\$56.3T	\$424K avg

Note: 'Top 1%' here refers to the top 0.1% of households — approximately 133,000 households at the apex of the wealth distribution — subdivided from the DFA's reported top-1% aggregate using SCF supplemental data on the top-0.1% equity share (~28% of total). Per-household figures for the Top 1% (\$118.9M in equity) and Q2 (\$10.4M) are averages across their respective bands and mask enormous within-band dispersion.

Key Findings

Extreme equity concentration per household: The average household in the top 0.1% holds \$118.9M in equity — 7,186 times more than the average household in the bottom 50% (\$16,554). Even the 90th–99th percentile household averages \$1.65M in equity, nearly 100× more than the median American household.

Employment-linked inflows are middle-class driven: While the top quintiles hold most equity by aggregate dollar value, the inflow channel — 401(k) and IRA contributions — is disproportionately funded by the 53.2 million employed middle-class households in Quintile 4. As AI and robotics displace these workers, market inflows shrink first and most acutely.

The bottom 66.5 million households have almost nothing at stake in equity markets: The average below-median household holds just \$16,554 in equity — often through a small 401(k) balance. For this group, job loss threatens not just future contributions but near-term survival income, while their equity stake is too small to provide any meaningful cushion.

Sources

1. Federal Reserve — Distributional Financial Accounts (DFA), Q3 2025 — <https://www.federalreserve.gov/releases/efa/efa-distributional-financial-accounts.htm>
2. Federal Reserve Z.1, Q3 2025 — Households; Corporate Equities & Mutual Funds (BOGZ1LM193064005Q) — <https://www.federalreserve.gov/releases/z1/current/default.htm>
3. BEA — GDP, 4th Quarter and Full Year 2025 (Third Estimate, April 9 2026) — <https://www.bea.gov/news/2026/gdp-third-estimate-industries-corporate-profits-state-gdp-and-state-personal-income-4th>
4. ICI — 2025 Investment Company Fact Book — <https://www.icifactbook.org/pdf/2025-factbook.pdf>
5. ICI — Quarterly Retirement Market Data, Q3 2025 — https://www.ici.org/statistical-report/ret_25_q3
6. IBISWorld / U.S. Census Bureau — Total U.S. Households 2025 (~132.9M) — <https://www.ibisworld.com/united-states/bed/number-of-households/31/>