

# The great American bluff

by Felix Abt\*



Felix Abt.  
(Picture ma)

*Behind the shiny façade of the US, with its record-breaking stock markets and AI rhetoric, lies an economy in which eight out of ten Americans can barely survive.*

According to *Forbes*,<sup>1</sup> Elon Musk is the first person in history to have a net worth of \$500 billion. While Musk and the ultra-rich rise to unimaginable heights, millions of Americans are struggling to pay their bills.

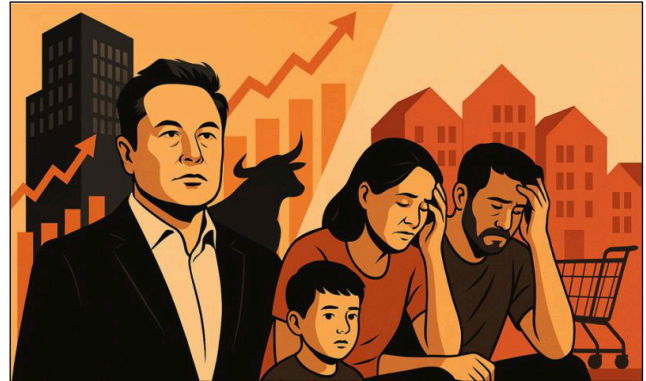
A recent report by *Goldman Sachs* paints a bleak picture: 40 percent of the working population now lives from pay check to pay check.<sup>2</sup> If this trend continues, that percentage will rise to 55 percent by 2033. Another 40 percent say they are not making significant progress in saving for retirement. Added together, this means that around 80 percent of Americans are financially stuck in place.

At the same time, the cost of retirement has risen by 4 percent annually over the past 25 years.<sup>3</sup> By 2033, the average American will need \$1.7 million to maintain their standard of living in old age – up from \$1.1 million in 2023. This is a goal that remains unattainable for the vast majority.

The housing market tells the same story. In 2000, home ownership consumed 33 percent of disposable household income. Today, it is 51 percent.<sup>4</sup> In 2002, the average first-time buyer was 36 years old; today, the average age is 56 – two lost decades, the years of life in which previous generations started families and built wealth.

But if you turn on CNBC or *Bloomberg*, everything seems wonderful: the stock markets are racing from record to record, the gross domestic product is growing, and unemployment is supposedly “only” 4.3 percent.<sup>5</sup>

But these figures are an optical illusion. The official unemployment rate counts anyone who



works at least one hour per week as “employed”. GDP growth is increasingly driven by data centres and AI speculation – not by better jobs or higher wages. While the markets are exploding, only the richest ten percent of the population is really benefitting.<sup>6</sup>

The much-heralded AI revolution, once celebrated as a productivity boost, is in fact already replacing workers rather than empowering them. Programmers, analysts, and employees are being laid off while corporate profits reach new highs.<sup>7</sup>

In short, the economy is booming – for those who own it. For everyone else, it’s a slow, steady bleed.

65 percent of Americans say they feel financial pressure every month – up from 58 percent last year.<sup>8</sup> The University of Michigan’s *Consumer Sentiment Index* is now lower than it was during the 2008–2009 financial crisis.<sup>9</sup>

This is not a strong economy, but a two-tier economy – one in which the wealthy multiply their fortunes in stocks and real estate while the middle class struggles to survive, caught between stagnant wages and skyrocketing living costs.

Economist *Matt Stoller* sums it up: an economy built on inequality.<sup>10</sup> Wealth is increasingly concentrated in financial assets and real estate, while wages stagnate and mountains of debt grow. American households now have six times their annual income in financial assets – mostly owned by the rich – compared to 3.5 times in the 1950s.

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

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Today, survival without credit cards, student loans, and overpriced mortgages is nearly impossible. Every economic downturn threatens what little security remains.

And now even *GoFundMe* CEO *Tim Cadogan* reports that ever more Americans are using crowdfunding to buy groceries.<sup>11</sup>

What was once intended as a platform for emergencies and disaster relief has become an everyday lifeline.

“The basic things you need to live have become significantly more expensive in almost all markets over the last three years”, Cadogan told *Yahoo! Finance*.<sup>12</sup>

This is not a healthy economy – it is a warning sign. Persistent inflation, growing debt, and stagnant incomes are forcing millions of people to hope for the generosity of strangers just to fill their refrigerators.

At the same time, the US is experiencing the largest wealth transfer in history as the baby boomer generation passes on trillions to their heirs.<sup>13</sup> Yet charitable giving has stagnated, remaining at just 2 percent of GDP for years.<sup>14</sup> The gap between growing capital wealth and private insecurity is widening.

The United States does not suffer from a lack of money, but from a lack of justice.

The world is experiencing a new gold rush – this time, algorithms and data centres are driving speculation. Billions are flowing into tech giants such as *Nvidia*, *Microsoft*, *OpenAI*, and *Google*.

But productivity is lacking: 95 percent of companies see no measurable benefit from AI.<sup>7</sup> The market is celebrating potential, not reality – similar to the dot-com bubble.

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

All the money changes hands without any real growth. OpenAI is posting billions in losses and has liabilities of \$1.3 trillion.

What’s more, 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.

When the euphoria falls, the system falls. While billions flow into server farms, schools, housing, and infrastructure fall by the wayside.

Society pays the price: higher energy prices, job losses, digital dependencies. Technological progress becomes 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 coded. But *Palantir* CEO *Peter Thiel*, high priest of the all-encompassing surveillance state,<sup>15</sup> warns against regulation – which, according to Thiel, is “from the Antichrist.”<sup>16</sup> Self-irony? Not a chance.

During my recent trip through Xinjiang, it became clear to me<sup>17</sup> what “thinking ahead” really means: China is transforming deserts into farmland, building solar and wind farms across the country, expanding hydropower, and constructing nuclear power plants throughout the country in record time.

Meanwhile, electricity prices are skyrocketing in the US – not least because of the power-hungry data centres of Microsoft, Amazon, and OpenAI.

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

China thinks in decades, America in quarters. Napoleon once said, “Gouverner, c’est prévoir” – to govern is to foresee. In Beijing, this is a matter of national interest; in Washington and European capitals, it is a long-forgotten virtue.

Source: <https://forumgeopolitica.com/de/artikel/der-groe-amerikanische-bluff>, 1 November 2025

(Translation “Swiss Standpoint”)

<sup>1</sup> Forbes, «Elon Musk Becomes World’s First \$500 Billion Man», 2025.

<sup>2</sup> Goldman Sachs, «Paycheck to Paycheck Report», 2025.

<sup>3</sup> Goldman Sachs Research, «The Future of Retirement: 2024–2033 Outlook».

<sup>4</sup> Harvard Joint Center for Housing Studies, «State of the Nation’s Housing», 2024.

<sup>5</sup> U.S. Bureau of Labor Statistics, Beschäftigungsbericht September 2025.

<sup>6</sup> Federal Reserve, «Distribution of Household Wealth in the U.S.», Q2 2025.

<sup>7</sup> Axios, Neil Irwin, «AI Investments Drive GDP, But Jobs Lag», 2024.

<sup>8</sup> Bankrate, «Financial Strain Survey», August 2025.

<sup>9</sup> University of Michigan, «Consumer Sentiment Index Report», September 2025.

<sup>10</sup> Matt Stoller, «The Economy Runs on Inequality», Substack, 2024.

<sup>11</sup> Yahoo! Finance, «GoFundMe CEO: More Americans Crowdfunding Groceries», Oktober 2025.

<sup>12</sup> Fortune Magazine, «Groceries as the New Emergency», 2025.

<sup>13</sup> Cerulli Associates, «U.S. Wealth Transfer Outlook», 2024.

<sup>14</sup> Giving USA, «Annual Report on Philanthropy», 2024.

<sup>15</sup> [https://www.youtube.com/watch?v=Um-VMzzK\\_g](https://www.youtube.com/watch?v=Um-VMzzK_g)

<sup>16</sup> <https://www.theverge.com/ai-artificial-intelligence/785407/peter-thiel-antichrist-tech-regulation>

<sup>17</sup> <https://forumgeopolitica.com/de/artikel/xinjiang-hinter-den-schlagzeilen-2>