

SPACEX: OF MUSK, FOR MUSK, AND BY MUSK

SpaceX's IPO highlights a stark contrast between investor enthusiasm and significant underlying risks. While the company warns that its technologies are still unproven and profitability uncertain, markets continue to value it highly, potentially exposing everyday investors to significant losses.

A key concern is Elon Musk's concentrated power at the company. That coupled with board members' close ties to Musk further weaken oversight. His potential compensation far exceeds typical CEO pay, underscoring inequality within the company. Employees have limited voice, with no union representation. What's more, politically connected insiders and early investors stand to gain the most as ordinary investors may unknowingly be forced to buy overpriced shares through index funds. Combined with SpaceX's reliance on government funding, political influence, and weak transparency on human rights and environmental risks, the IPO reflects growing concerns about accountability and transparency.

INTRODUCTION

The **Space Exploration Technologies Corporation's (SpaceX)** Initial Public Offering (IPO) is out and replete with red flags, yet the capital markets do not seem to care. Investors are willing to pay a premium price for Elon Musk's sales pitch. The more-than-300-page company prospectus' cautious assessment contrasts with what we hear from Musk about the company's potential. The prospectus admits that many of the company's technologies are untested, unproven, and untried, and its mission might not be realized, and investors might not see profits for a very long time, or not at all.

And all of us—everyday people—will be forced to shoulder the risks that the company bears, whether we like it or not.

In 2024, Oxfam launched its **Corporate Inequality Framework (CIF)** to assess public companies' contributions to inequality. Given that SpaceX will be among the list of most valued companies, Oxfam is spotlighting how the company contributes to inequality by examining SpaceX's human rights performance, corporate governance, political influence and connections, and worker and shareholder voice.¹

SPACEX'S INEQUALITY FOOTPRINT

Musk has unchecked power at the company. At the outset of its prospectus, SpaceX declares that it will be a controlled company.² This means that as founder, chief executive officer (CEO), chief technical officer, and board chair, Elon Musk will have extraordinary influence. This influence is bestowed to him through his voting control on all company matters. SpaceX has multiple share classes, with two of them—Class A and Class B—having voting rights. However, these rights are unequal; one class of shareholders—Class A—has one vote per share owned, and the other class—Class B—has 10 votes per share owned. Class B shares are not available to the public, only to a connected few. Musk controls 12.3% (almost 850 million shares) of voting power via Class A shares and 93.6% (over 5 billion shares) via Class B shares, giving him control of 85.1% of overall votes. A fifth of his Class B shares are yet to be vested, though he can vote on them. He can elect, remove, and fill any vacancy and can control all major business decisions and actions. This also means that **only Musk can fire Musk**, as he holds the majority vote.

Many of the board members have personal and business ties to Musk, raising doubts about their ability to hold him accountable. Ira Ehrenpreis sits on both the Tesla and SpaceX boards and has known Musk for more than 15 years. He leads DBL Partners and is an investor in both Tesla and SpaceX.³ Antonio Gracias, the CEO and chief investment officer of Valor Management LLC, was an early investor in SpaceX and several Musk companies, holding a roughly 4% stake in SpaceX. He shares a close personal relationship with Musk and even loaned him \$1 million when Tesla was on the brink of bankruptcy. He was previously on Tesla's board and is on the board of other Musk companies. In 2025, Gracias also joined the Department of Government Efficiency (DOGE), leading work at the Department of Homeland Security and the Social Security Administration. Luke Nosek is co-founder of PayPal and Founders Fund alongside Peter Thiel, and Gigafund thereafter. Nosek is an early investor in SpaceX⁴ and was on the board of DeepMind, which he attempted to buy with Musk. Nosek and Musk overlapped while working at PayPal and remain close friends. Steve Jurvetson, co-founder of Future Ventures also shares personal ties with Musk and is no stranger to controversies, having faced allegations of sexual misconduct. Jurvetson will be a member of the company's audit committee, the only committee that must exercise independence in a controlled company.

Like at Tesla, Musk's pay at SpaceX dwarfs CEO pay packages at the biggest tech companies. Most of Musk's compensation comes from ownership of the company stock, with his base salary set at just over \$54,000 since 2019. In January, the board approved a pay package for Musk that would award him 1 billion shares of Class B common stock in 15 tranches after meeting certain criteria, which can represent anywhere upward of \$1 trillion in value. Other tech companies' CEO packages⁵

were nowhere close to what Musk could make at SpaceX. Further, there is no information about the CEO-to-worker pay ratio at SpaceX or the variation in shares owned by Musk versus the average employee. SpaceX only states that “(e)mployees hold a meaningful but undisclosed stake across options and RSUs⁶.”

Employees at SpaceX have limited avenues for voice and representation. None of its 22,000 full-time employees are covered by any collective bargaining agreement. Although employees can participate in the company’s success through stock options, it is unclear whether ownership is broad based (i.e., all employees participate in ownership). Moreover, while average employees’ own shares, they have little-to-no voting power, leaving them largely disenfranchised in corporate decision-making, similar to most shareholders in the company.

Musk’s political contributions during the 2024 presidential election have benefited SpaceX. Musk contributed over \$291 million to Republicans and President Donald J. Trump in the 2024 U.S. presidential election, the largest contribution by an individual. As a special government employee leading DOGE, Musk dismantled the U.S. Agency for International Development. The agency was investigating its own relationship with SpaceX subsidiary Starlink over services in Ukraine. SpaceX was also under investigation or reviews by multiple government agencies on a host of violations; many of these investigations have either been closed or the personnel overseeing them have been fired or have resigned. In addition, the Trump administration has eased the operating environment for SpaceX. Commerce Secretary Howard Lutnick revamped a Biden-era program to benefit companies like Starlink, though he is currently rejecting the company’s push to lower standards that would harm performance, access, and recourse standards for users. In August last year, Trump signed an executive order easing space regulations and potentially boosting SpaceX’s operations, shortly after the Pentagon unveiled a \$175 billion missile defense program expecting to incorporate satellite systems that may shape the company’s future contracts. Financial tech billionaire Jared Isaacman, a current NASA administrator, shares close business ties to Musk. Isaacman’s recent intention to build an astronaut moon base on Mars is well aligned with SpaceX’s business priorities. Musk is the third-largest donor to date in the U.S. midterms, with contributions totaling \$85 million.

Up until now, SpaceX has paid little-to-no federal income taxes while obtaining billions in taxpayer-funded money. Since its founding in 2002, the company has bragged to investors that it will likely never have to pay any tax. The company has billions of dollars in past losses that it can use to offset paying future taxable income (this corporate tax benefit is now permanent thanks to President Trump’s Tax Cuts and Jobs Act). This means SpaceX can apply roughly \$10 billion in past losses against future federal taxable income, significantly reducing taxes on billions of dollars in future profits. Against this backdrop, SpaceX currently derives one-fifth of its revenue from the federal government, primarily from NASA, the Department of War, the General Services Administration, and certain Intelligence Community agencies. SpaceX has also received billions from NASA as grants. Along with NASA, the Department of War funded the company, yet the taxpayers who funded these grants won’t see a huge payout when the company goes public, as its other early investors will.

Government officials, politically connected insiders, venture capital firms, and top company executives will gain big from SpaceX’s IPO. Donald Trump Jr. holds SpaceX shares via 1789 Capital, a venture firm he joined as a partner in 2024.⁷ U.S. Special Envoy to the Middle East Steve Witikoff has invested in SpaceX via 3G Investors LLC while Small Business Administration official Kelly Loeffler holds between \$1 and \$5 million in xAI. Department of Interior Chief Information Officer and former SpaceX engineer Paul McInerney holds between \$5 and \$25 million in the company. Meanwhile NASA Administrator Jared Isaacman owns shares through his company Shift4 Payments.⁸ Although he no longer holds a leadership role there, he is still one of the Shift4 Payment’s largest investors and will benefit substantially after the SpaceX IPO. Other government officials also hold significant positions at the company. David Sacks—who was the Trump administration’s AI and crypto czar and is currently co-chair of a federal advisory panel of industry executives formed to help shape tech policy—is an early angel investor and is invested through his firm, Craft Ventures.⁹ Other politically connected individuals include Peter Thiel, an early and prominent financial backer of President Trump, who is invested in SpaceX through Founders Fund, a venture capital firm he co-founded.¹⁰

Andreessen Horowitz, a venture capital firm that participated in two funding rounds at SpaceX that totaled \$1 billion,¹¹ is the largest donor of the midterm cycle to date, with over \$115 million in contributions; the firm and its founders spent \$63 million in 2024, with partner and co-founder Marc Andreessen building close ties to the Trump administration. Major corporate backers like Google (6.1% stake) and Tesla (less than 1% stake) also stand to gain, while SpaceX insiders President Gwynne Shotwell and CFO Bret Johnsen have substantial holdings, as do board members Antonio Gracias and Luke Nosek.

Shareholders have limited-to-absolutely-no rights to challenge Musk. In most companies, shareholders have three core rights: Shareholders can vote, can sell, and they can sue companies. But not at SpaceX. The company states that shareholders “will not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of Nasdaq and Nasdaq Texas.” They cannot challenge the company’s management or directors over any decisions because of the control Musk wields. Most shareholders cannot sue the company or force votes on poor corporate governance standards. Shareholders are instead forced to seek legal recourse through arbitration. The bar to file a shareholder proposal is also very high at the company, reserving that right for the very few institutional investors that own enormously large volumes of shares or groups of shareholders who can combine their volume (though this approach is burdensome and largely unfeasible).

Everyday investors will be disenfranchised, while insiders will reap millions once SpaceX goes public. Nasdaq and FTSE Russell are changing rules to accommodate companies like SpaceX, introducing new guidelines that would allow it to join the indices much faster and with fewer requirements, such as those on volume of shares offered to the public. This means that funds that track these indices will have to buy SpaceX. Most people are invested in these indices (for example through retirement accounts). Early investors can sell their shares at an elevated price, as there is a lot of volatility in the share price of a company immediately following an IPO. As a result, everyday investors invested through these indices will likely and unknowingly be forced to buy at inflated prices, taking on more risk, while insiders benefit from cashing out and tilting the system against the average person who might just be trying to invest their savings for retirement or other purposes.

Because of SpaceX, Musk wields enormous influence over global politics. Musk has amassed significant power due to his business in the field of satellite internet systems given the role Starlink plays. Since 2019, SpaceX has launched thousands of satellites—which now account for over half of all active satellites in space—to provide global high-speed internet. As a result, Starlink is the only service available in war zones, remote areas, and places hit by natural disasters. Starlink has been used by Ukraine to communicate on the battlefield, collect intelligence, and coordinate drone strikes. Musk has intervened to suspend access at several key moments in Ukraine, even at the objection of the U.S. government, over a host of issues. Elsewhere, Starlink has acted as a lifeline in countries like Iran when the government shuts internet access during periods of uncertainty, including conflict and heightened government repression. The company will not adopt the same posture in countries where Musk has business interests. The Trump administration has also used Starlink as an informal leverage during trade negotiations with countries. Right now, the interests of the U.S. government and SpaceX are aligned, but it is not unimaginable that there will be a time when SpaceX’s interests’ conflict with those of the government. It has happened before.

SpaceX is silent on human rights risks despite its high exposure. The company does not provide any information about overall human rights risk prevention, mitigation, remediation, or grievance mechanisms. As mentioned earlier, access to Starlink is critical for countries under repressive or autocratic rule, though use by bad actors, including criminal networks and insurgent groups, represents huge ethical concerns. Grok, part of SpaceXAI and a SpaceX subsidiary, defines itself as “a truth-seeking AI system,” though it repeatedly generates harmful outputs. These include extremist and antisemitic content, misinformation about historical events, large-scale exposure of user interactions and dangerous instructions, and the mass production of sexualized images of real individuals, including apparent minors, even after incorporating subsequent mitigation efforts. These issues have led to global scrutiny, bans in Indonesia and Malaysia, and lawsuits over data protection and safety. Despite these risks, the company provides limited transparency on its efforts

to address them, placing responsibility on third parties and falling behind peers on safety practices and risk management, with uneven safeguards—such as unfettered access for those who pay for Grok’s “Spicy” Imagine Mode and “Unhinged” Voice Mode—raising broader concerns about oversight, accountability, and its approach to managing human rights risks. These weak practices are reinforced by issues such as minimal staffing and internal high turnover in safety teams.

SpaceX’s operations raise growing concerns about climate and environmental justice impacts, spanning both its satellite network and its expanding AI infrastructure. Astronomers and environmental groups warn that plans to dramatically increase the number of Starlink satellites could result in widespread light pollution and permanent atmospheric damage. The satellites typically last less than five years, after which they burn up and release aluminum oxide that may affect the ozone layer. At the same time, the company’s integration with xAI has intensified scrutiny on its ground operations, particularly the flagrant violation in the use of natural gas turbines to power energy-intensive data centers. These facilities have drawn legal challenges and community opposition in Memphis, where the site sits in a historically Black neighborhood already burdened by pollution and high child asthma rates. SpaceX’s way of doing business reflects a broader pattern of environmental inequity, whereby marginalized communities disproportionately bear the health and climate costs of large-scale industrial and technological expansion.

CONCLUSION

SpaceX’s IPO exposes a disconnect between market enthusiasm and meaningful accountability. The company has concentrated power, wealth, and decision-making in the hands of one individual. While investors want to bet on Musk’s pitch, the financial, governance, social, and environmental risks are substantial and will largely be borne by most of the population who comparatively have limited-to-no stake in the company. The IPO will generate enormous wealth for insiders and those already politically connected.

SpaceX’s growing influence over critical infrastructure and global decision-making as well as its use of public resources highlight entrenched inequality and lack of oversight. As the company enters the public sphere, it forces a broader reckoning about whether financial markets and regulators will prioritize long-term value creation and accountability or continue with business as usual, enabling a system in which wealth and influence outweigh protections owed to the public.

NOTES

¹ The analysis is based on the best publicly available information, including from third party media reporting, government sites, civil society reports, and SpaceX's own reporting (including its recently released prospectus).

² According to the listing rules of Nasdaq and Nasdaq Texas, a company in which more than 50% of the voting power with respect to director elections is held by a person or group of persons acting together is a controlled company.

³ The data was obtained from the proprietary database Pitchbook.

⁴ The data was obtained from the proprietary database Pitchbook.

⁵ Turner, N. (2026, May 12). *Nvidia CEO pay package shrinks 27% on smaller stock awards*. Bloomberg News. <https://www.bloomberg.com/news/articles/2026-05-12/nvidia-ceo-pay-package-shrinks-27-on-smaller-stock-awards>; Shibu, S. (2026, March 9). *Alphabet CEO Sundar Pichai could earn \$692 million—but only if he hits these targets*. Entrepreneur. <https://www.entrepreneur.com/business-news/alphabet-google-ceo-sundar-pichai-earn-692-million-pay-package>; Turner, N. (2026, January 8). *Apple CEO's compensation holds steady at about \$74 million*. Bloomberg News. <https://www.bloomberg.com/news/articles/2026-01-08/apple-ceo-s-compensation-holds-steady-at-about-74-million>; Ford, B., & Day, M. (2025, October 21). *Microsoft CEO gets \$96 million pay package on 'exceptional' year*. Bloomberg News. <https://www.bloomberg.com/news/articles/2025-10-21/microsoft-ceo-gets-96-million-pay-package-on-exceptional-year>; MSN. (2026, April 11). *Amazon CEO Andy Jassy's compensation increased 30% in 2025 despite total pay falling since 2021*. <https://www.msn.com/en-in/money/topstories/amazon-ceo-andy-jassys-compensation-increased-30-in-2025-despite-total-pay-falling-since-2021/ar-AA20EaAD>

⁶ RSU stands for Restricted Stock Units

⁷ The firm invested through a later stage funding round that closed in September 2025. The data was obtained from the proprietary database Pitchbook.

⁸ The data was obtained from the proprietary database Pitchbook.

⁹ The data was obtained from the proprietary database Pitchbook.

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