

# TRILLIONAIRE IN THE MAKING:

How Tesla turbocharged Musk's fortune and US inequality

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OXFAM

As of February 2026, **Elon Musk's net worth is already nearing \$900 billion**. He is just under \$200 billion shy of reaching trillionaire status. A key driver of Musk's extreme wealth in recent years is his ownership of Tesla, a company whose conduct has profoundly and systemically contributed to wealth and power inequality in the U.S.

By any standard, Elon Musk's growing fortune is the **largest in the world to date**—and it is more money than any single person should have. With \$1 trillion, Musk could:

- Cover the **GDPs of entire countries**. For example, his net worth would be greater than the GDP of wealthy countries like **Switzerland**, the GDP of which stands at **\$936 billion** as of 2024.
- Pay off the **total public debt** of 31 of the world's poorest countries that are either in or at high risk of debt distress—currently \$205 billion—and still walk away with more than three-fourths of his fortune.
- Gift \$1 billion each to 1,000 people, increasing the global number of billionaires by over 30%, **from 3,028 to over 4,000**.
- **Pay the salaries of all 535 members of the U.S. House of Representatives** for the next 10,742 years.

Even reaching the \$1 trillion mark is unlikely to be the end of Musk's unprecedented wealth accumulation. Last November, a majority of Tesla's shareholders approved a staggering **compensation package** potentially worth up to an additional \$1 trillion over the next decade. Musk's impending trillionaire status does not even account for this pay package. This, in addition to February's news that Musk-owned **SpaceX acquired xAI** ahead of its planned IPO, will continue to catapult Musk into a whole new stratosphere of wealth.

With the potential anointment of Musk as the world's first trillionaire, Oxfam has analyzed Tesla's impact on inequality in the United States using its **Corporate Inequality Framework**.<sup>1</sup> Our analysis finds that Tesla strategically uses tax havens and federal loopholes, maintains only an illusion of corporate oversight, adopts a selective approach to labor rights, and uses Musk's personal influence with the U.S. government to reduce regulatory scrutiny.

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<sup>1</sup> In 2024, Oxfam launched its Corporate Inequality Framework (CIF) to assess 200 individual companies' contributions to inequality in the United States, including Tesla. Musk is now mere months away from becoming a trillionaire – with Tesla serving as one of the primary sources of his wealth. For more information, see <https://www.oxfamamerica.org/explore/research-publications/corporate-inequality-footprint/>.

# CIF ANALYSIS: TESLA

## Tesla has made strategic use of tax havens and federal loopholes

Tesla's most recent annual financial report shows an income of \$4.8 billion in 2025 in the United States, for which it reports precisely zero current federal income tax paid (See Note 12 [here](#)). Tesla has used various strategies to reduce its tax burden, including loopholes in the Tax Cuts and Jobs Act of 2017 passed by President Donald J. Trump in his first term, and extended by the 2025 "One Big Beautiful Bill Act." Over the past three years, the company reported over \$10 billion of U.S. income on which its current federal tax was just \$48 million (See Note 12 [here](#)). This equates to a three-year average U.S. federal tax rate of just 0.47%, which is 45 times less than the statutory corporate tax rate of 21%.<sup>2</sup> What's more, Tesla [has been one of the greatest beneficiaries of the taxpayers' money](#) in the form of loans and regulatory and tax credits, which has helped it weather tough times. Tesla does not have a policy on responsible tax practices, and it did not publish its country-by-country report on tax payment in most geographies of operation.<sup>3</sup> Moreover, according to Tesla's own reporting, some of its [subsidiaries](#) are located in countries [designated as tax havens](#).<sup>4</sup>

## The company maintains the illusion of independent oversight

At Tesla, the board committee that shapes compensation—which has oversight over Elon Musk's pay package—exhibits a startling lack of independence, raising questions about the ability of the board to adequately represent retail shareholders (e.g. everyday Americans invested in Tesla). Two of the three committee members have extensive business, financial, and/or personal ties to Musk and Tesla, compromising their degree of independence in assessing Musk's pay package. For example, Robyn Denholm, the Board Chair, derives a major part of her wealth from [Tesla stock](#); since 2018, [she has made \\$530 million on the sale of Tesla stock](#), higher than many of her peers. Another member of the same Committee, Ira Ehrenpreis, has a relationship with Musk that spans [more than 15 years](#). Ehrenpreis is [Founder and Managing Partner at DBL Partners](#), which [was an early investor in Tesla](#) and has invested tens of millions in [Musk-controlled companies](#). He is also [chair of the](#)

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2 To arrive at the figures for the Federal Effective Tax Rate (FETR), we extracted information from the company's 10-K report filed with the SEC for the fiscal year ending in December 2025. We used the following formula: FETR = Current Federal Income Tax Paid / Domestic Pretax Income. Following ITEP methodology, we exclude deferred taxes from our calculations to reflect what the company paid that year. The domestic pretax income includes the reported domestic income minus state taxes paid that year, because state taxes are deductible from federal taxable income under the U.S. tax code.

3 Although in its 2025 annual report, Tesla started disclosing more granular data on tax payments to China under new accounting standards, it does not yet publicly report tax figures for all jurisdictions where its business operates.

4 According to our Corporate Inequality Framework a company will be considered as having a presence in a tax haven if any one of the following is true: (i) The company's offshore subsidiary is listed on the Oxfam Tax Battles Report #1-15. See Oxfam. (2016, December 12). Tax battles: The dangerous global race to the bottom on corporate tax. p.4. Oxfam America. <https://www.oxfamamerica.org/explore/research-publications/tax-battles/>; and (ii) The company's offshore subsidiary is listed under #1-20 of the TJN Corporate Tax Haven Index. See Tax Justice Network. (2021). Corporate Tax Haven Index 2021. <https://cthi.taxjustice.net>.

Compensation Committee and is a close friend to Kimbal Musk, Elon Musk's brother, who is also on the board.

### **Tesla adopts a selective approach to labor rights**

Tesla has been embroiled in prolonged strikes and boycotts in Sweden over its refusal to sign a collective bargaining agreement. Industrial action against the company spread amongst other unions in the country in solidarity and across Nordic countries. Tesla was also accused of using union-busting tactics, such as strike breaking in Sweden, worker intimidation tactics in Germany, and anti-union activity in Buffalo, New York and in the United States in general on at least two other occasions.

Tesla only recognizes the right of workers to collectively bargain as defined by local laws in countries of operation. This is problematic especially in countries where domestic law subverts international labor standards, and Tesla appears to be ambiguous about whether, in individual cases, international standards will supersede national law or vice versa. What's more, as the above example depicts, even in cases where local laws concerning freedom of association are strong, the company has tried to circumvent workers' attempts to unionize. The expectation for multinational companies the size of Tesla is, at a minimum, to follow international labor standards.

### **'Zero Pay' masks Musk's unprecedented wealth accumulation**

Musk has opted out of accepting an annual salary since 2019 and has instead chosen to receive stock options—a compensation structure that has allowed him to accumulate over 717 million shares and control 19.8% of the company. His new pay package could grant him an additional 423 million shares, potentially resulting in the accumulation of over 1 billion total shares or about a 29% stake in Tesla. Each share has a market value of over \$400, as of February 20, 2026. The company reported its last median pay ratio between the CEO and employees in 2021, which was 18,043:1. The average ratio for the last five years (2020-2024) stood at 4,175:1 in 2024 dollars (Tesla reported zero CEO compensation for all years other than 2021).<sup>5</sup> This implies that Musk made, on average, more than 4,000 times more than the typical Tesla worker per year during that period. This ratio is more than 14 times higher than the ratio for all the S&P 500 companies at 285:1 in 2024.

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5 The 2018 CEO Performance Award for Elon Musk is a 10-year compensation plan that consists solely of stock options (no annual salary) vested through 12 performance tranches that depend on specific milestones. Vesting can happen at any time when milestones are certified as completed by the Board. Unlike median worker payments, Musk's compensation is not realized on an annual basis and is not evenly spaced in time—for many years reported CEO compensation is zero except for the years when the stock vests. To capture this difference in the timelines of realized gains, we assess average CEO to median worker pay ratio for the last 5 years, instead of only taking the number for the last reported year. Though Oxfam's estimation of his compensation still needs to be evaluated with caution, it spotlights how extreme equity-based compensation for CEOs can be relative to wages. Because Musk's realized compensation occurred entirely in a single year, the rest of the years being zero, inflation adjustment has negligible impact on the CEO pay for all years except for 2021. Hence, we adjusted the ratio from 2021 dollars to 2024 dollars using an inflation factor of 1.15 according to the Bureau of Labor Statistics CPI tables.

## Musk's individual influence helps reduce Tesla's regulatory scrutiny

In 2024, Tesla spent \$770,000 in lobbying expenditures and \$338,456 in campaign contributions, though Tesla itself does not disclose any of its political expenditures and activities. While these numbers are lower than other companies within the technology sector, Musk personally contributed over \$291 million to Republicans and President Donald J. Trump in the 2024 U.S. presidential election, the largest contribution by an individual and \$100 million more than the second-largest donor to the party and the president for the same year. His contributions as an individual and role in the Trump administration benefitted Tesla at the expense of everyday Americans. This includes firing government personnel at, among other agencies, the Environmental Protection Agency and the Department of Transportation. It also includes razing departments such as Consumer Financial Protection Bureau, Equal Employment Opportunity Commission, National Labor Relations Board, and the Department of Labor that maintained oversight over the company's business practices. Actions against Tesla were launched to protect workers, the public, and the environment and ensure corporate accountability. The company does not appear to have a detailed policy governing its political activities and its board does not disclose if it has oversight of Tesla's political activities.

## The need for change

Musk used his own shares, which represent over 15% ownership, to vote to give himself a potentially \$1 trillion pay package. His ownership stake at Tesla contrasts with that of millions of everyday Americans that have share values at publicly listed companies at 0.01% or lower. If he is paid the entire compensation package, Musk would own approximately 29% of Tesla stock, giving him a very high degree of power and influence at the company. This degree of control combined with Tesla's business model and governance will continue to exacerbate the existing inequalities the company already exhibits.

The need for meaningful changes to Tesla's corporate practices is urgent. This includes increased corporate transparency through robust disclosures, corporate governance reforms at the company that includes a truly independent compensation committee and overall board of directors, increased oversight over labor related practices, as well as for critical reforms to corporate regulation and tax policy. This translates to raising the top corporate tax rate and ending harmful tax loopholes, as well as passing a federal wealth tax or a tax on unrealized gains to tackle historic concentrations of wealth.



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