

## Zanetti Monday Missive 2021.12.20 Time's Person of the Year

**“Progress is man’s ability to complicate simplicity.”**

~ Thor Heyerdahl

**“Some people don’t like change, but you need to embrace change if the alternative is disaster.”**

~ Elon Musk

Time Magazine just named Elon Musk as Person of the Year. Every year, Time Magazine tries to recognize the person or group who has most shaped the previous 12 months – for better or for worse. Time has determined that Mr. Musk is that person in 2021.

Let’s briefly look at how Musk has influenced our lives. To start with, he co-founded and sold PayPal – the online payment portal. Since then, Musk has started Tesla, SpaceX, The Boring Co., Solarcity, and a few others just for kicks. But it was Tesla that launched Musk into the economic stratosphere. Just to clarify, Tesla is the electric car company that GM and Ford tried to legally keep off the market (and failed miserably), which is now worth \$1.02 Trillion. Yes, trillion with a “TEE”.

Next week I will dig a bit more into the value of Tesla as a car company and its relationship with the Stock Market – that lil’ ol’ thing that keeps me riveted to every bit of economic news I can digest. And in a slight twist, I thought I would also look at the financial history of Time Magazine as well – you’ll have to wait and see the connection I make there. But for this week, let’s look specifically at Time’s 2021 Person of the Year.

While it might be debatable how much Elon Musk influences the lives of each of us, one thing that has kept him on my radar is his financial life. With the meteoric rise of Tesla, Elon Musk has become what Time Magazine tried to call “the richest person in the history of the world.” Musk knows more than Time magazine and instantly demurred, “Excluding sovereigns.” He wryly notes that Vladimir Putin is richer than he and adds, “I can’t invade countries and stuff.” Well said, Mr. Musk. Way to keep your head about you.

So, how rich is Elon Musk? In November, it was calculated at over \$300 billion. Well, this is where it gets fun. It didn’t take long until Senator Elizabeth Warren, the noble defender of freedom and the underdog tweeted, “Let’s change the rigged tax code so The Person of the Year will actually pay taxes and stop freeloading off everyone else.”

Oh, don’t feel sorry for Elon, he was able to get even more Twitter traction by referring to Warren as “Senator Karen.” And I’m not here to defend whether Elon personally should pay a greater portion of taxes, but I do want to point out that Elon doesn’t own a home (he rents a small prefab casita), while Senator Karen... er... Warren owns a couple of multi-million-dollar homes in Massachusetts and Washington DC. She has also built an impressive investment portfolio considering she doesn’t have a background in finance – but does get to make policy decisions that affect publicly traded companies that she can invest in. Furthermore, to tax Elon on his wealth would be like taxing Senator Warren on the increase of equity in her humble homes or investment portfolios before she sells them.

Moreover, Mr. Musk is scheduled to pay \$7.6 billion in taxes for 2021 due to the sale of \$13 billion in Tesla stock – and that number could grow depending on how much stock he sells before the end of the year. Yep, that’s right, he’s paying taxes on the sale of his portfolio just like the rest of us. But again, I’m not opining on whether or not Musk “should” pay more in taxes.

What concerns me is a politician trying to rally the populace, to go after a civilian with pitchforks, getting him (or any other individual) to pay for government programs that the politician benefits from more than any other individual. One last time, I want to clarify that it’s not Elon Musk I’m concerned about – obviously he can take care of himself. I’m concerned about you, dear reader, being able to protect what you’ve worked hard to build through the years. Fortunately, right now, there are enough voters and elected officials who feel the same way – so for now, we can save that concern for another day.

Your Yes-I-Have-A-Twitter-Account-But-I-Barely-Know-How-To-Use-It Financial Advisor,

Walt

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