How much of Musk wealth comes from government help? Virtually all of it

- By Chris Isidore, CNN

(CNN) — Elon Musk has many people to thank for becoming the world's first trillionaire — his companies' engineers who produced technological breakthroughs, Wall Street investors who were eager to shower him with their dollars despite questionable financials, but most of all, American taxpayers and government policymakers.

"There would not be (Tesla and SpaceX) if it weren't for the government," said Ross Gerber, CEO of investment firm Gerber Kawasaki and an early investor in Tesla.

The federal government awarded SpaceX more than $500 million worth of grants in its early years. And that $500 million is just a fraction of what Tesla received from government grants, loans, contracts and regulatory policies.

That's not to say SpaceX's success and Tesla's roughly $1.5 trillion valuation are entirely due to federal spending, but both companies teetered as startups before receiving taxpayer subsidies.

Early money propelled SpaceX

The question of how much Musk's $1 trillion net worth comes from the government is not as simple as it sounds. By some measures, only a small portion of his wealth is thanks to taxpayers. His companies have received "only" tens of billions from government contracts and programs.

But it's not just the dollar amount that matters — it's when it was received.

SpaceX's first major windfall was a $278 million grant from NASA in 2006 to develop the Falcon rocket system and Dragon space capsule. The Space Shuttle program was ending, and the US needed a new way to get astronauts and cargo to the International Space Station.

It was the first of more than $500 million in grants SpaceX would receive, according to data from PitchBook, which tracks the valuation of private companies.

"That was about half of their capital that they raised to that point," Casey Dreier, chief of space policy at the Planetary Society, a public interest group advocating space flight, said ahead of the SpaceX IPO. "This was a substantial commitment that NASA provided."

And while NASA has enjoyed the benefits of SpaceX's success, with dozens of humans ferried to the space station aboard the company's rockets, it didn't benefit like those private investors.

"The people who put in the other half of the capital from that era are about to be made multi-billionaires," Dreier said.

And the support from NASA didn't stop with the grants. Musk has acknowledged the company was almost out of cash at the end of 2008 when it got a critical, and then-unprecedented, $1.6 billion contract from the American space agency.

“The fact (is) that we could not have started SpaceX, nor could we have reached this point, without the help of NASA,” Musk said in 2012 when launching the company’s Falcon 9 rocket to the ISS for the first time.

Regulations kept Tesla going

By comparison, Tesla has received relatively modest government contracts in the past. But it got a lot of help getting started — critical help.

In January 2010, Tesla had sold less than 2,000 cars in its entire history, virtually all of them electric oddballs based on sports cars from Lotus, a relatively obscure British company. Then Tesla received a $465 million low-interest loan from the Department of Energy, months before its initial public offering. With the loan, the company developed the Tesla Model S sedan, its first major success. Tesla paid back the loan early through proceeds from an additional sale of stock in 2013.

A $7,500 tax credit for EV buyers allowed the company and other automakers to sell American-made EVs at a higher price than the market might have otherwise allowed.

Tesla buyers received federal tax credits worth an estimated $3.4 billion before the perk ended in 2019. Tesla then cut prices to maintain demand. Given how much it had to cut prices, the tax credit likely allowed Tesla to bring in more than $1 billion on cars sold in America than it could have without the tax credit.

The tax credit was restored in 2023 as part of the Biden administration’s Inflation Reduction Act. But Republicans in Congress and the Trump administration ended the credit across the industry on September 30, 2025.

But Tesla's most significant financial support was not from tax credits for EV buyers. It was from a government program to reduce carbon emissions across the automotive industry.

Under the regulatory framework, car companies had to meet emissions limits. If they didn't, they would have to buy "emissions credits" from companies that did comply with the limits. And the one company that always came under the emissions limits and had credits to sell was Tesla, since all of its vehicles are electric.

That meant virtually every other car company in the US was lining up to pour money into Tesla's coffers as a result of the regulations.

Those credit sales accounted for nearly 25% of the company's revenue in 2008 and 10% of its revenue throughout the next five years.

Between 2008 and 2019, sales of regulatory credits generated more than $2 billion for the company.

Tesla might have died without those funds — a fact not lost on Elon himself.

In a tweet in 2020, Musk admitted that Tesla was nearly forced to file for bankruptcy as recently as 2019. Even after it survived the bankruptcy scare, it wasn't until 2021 that Tesla was able to post a profit without the help of credit sales.

Since 2019, sales of regulatory credits have brought in another $12.3 billion, with all of that money falling pretty much directly to its bottom line. That credit revenue is likely to dry up in the future, though, as Republicans in Congress have essentially eliminated the program.

But Tesla's value no longer has much to do with its cars. Instead, the company's share price is based on Musk's promise that Tesla will soon offer

widespread self-driving “robotaxis” and humanoid robots, a promise he has long sought to deliver but to little avail.

Wall Street’s faith in Musk is the main reason his wealth has reached previously unimaginable heights — at least for the moment, as long as his companies’ share prices remain near where they are. But that faith comes because at the start of his businesses, when he needed financial assistance the most, it was the US government — not Wall Street — that provided the needed help.

“It turned out it was definitely good for the government, America, and society that these companies exist, so I don’t regret that the government gave him the money,” said Gerber, the early Tesla investor who is now a Musk critic. “The mistake the government made is they should have had an equity stake.”

– CNN’s Jackie Wattles contributed to this report

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