

Billionaire Wealth, U.S. Job Losses and Pandemic Profiteers

Ed. How much is a billion? A sum of money of "only" one billion – or a thousand million – is hardly imaginable. One can only guess at the influence and power that individuals in our world can wield with the possession of several or even hundreds of billions of dollars.

As a comparison with the amounts of money described in the following two articles by Alan MacLeod and Chuck Collins, we have subsequently compared this year's financial requirements of the "United Nations High Commissioner for Refugees" (UNHCR) and the state revenues (2017) of Switzerland and its neighbouring countries.

Winners and losers – America's Super-Rich See Their Wealth Rise by 282 Billion Dollar in Three Weeks of Pandemic

by Alan MacLeod*

A **new report** from the *Institute for Policy Studies* found that, while tens of millions of Americans have lost their jobs during the coronavirus pandemic, America's ultra-wealthy elite have seen their net worth surge by \$282 billion in just 23 days. This is despite the fact that the economy is expected to contract by 40 percent this quarter.

The report also noted that between 1980 and 2020 the tax obligations of America's billionaires, measured as a percentage of their wealth, decreased by 79 percent. In the last 30 years, U.S. billionaire wealth soared by over 1100 percent while median household wealth increased by barely five percent. In 1980, the total wealth held by America's billionaire class was \$240 billion; today that number stands at \$2950 billion. Thus, America's billionaires accrued more wealth in just the past three weeks than they made in total prior to 1980. As a result, just three people – Amazon CEO Jeff Bezos, Microsoft co-founder Bill Gates and Berkshire Hathaway's Warren Buffet – own as much wealth as the bottom half of all U.S. households combined.

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"Wealth defence industry"

The Institute for Policy Studies' report paints a picture of a modern day oligarchy, where the super-rich have captured legislative and executive power, controlling what laws are passed. The report discusses what it labels a new "wealth defence industry" – where "billionaires are paying millions to dodge billions in taxes," with teams of accountants, lawyers, lobbyists and asset managers helping them conceal their vast fortunes in tax havens and so-called charitable trusts. The result has been crippled social programs and a decrease in living standards and even a **sustained drop** in life expectancy – something rarely seen in history outside of major wars or famines. **Few Americans believe** their children will be better off than they were. Statistics suggest they are right.

Secure positive coverage

Billionaires very theatrically donate a fraction of what they used to give back in taxes, making sure to generate maximum publicity for their actions. And they secure positive coverage of themselves by stepping in to keep influential news organizations afloat. A December **investigation** by *MintPress* found that Bill Gates had donated over \$9 million to *The Guardian*, over \$3 million to *NBC Universal*, over \$4.5 million to *NPR* [National Public Radio], \$1 million to *Al-Jazeera*, and a staggering \$49 million to the *BBC's Media Action* program. Some, like Jeff Bezos, prefer to simply outright purchase news organizations themselves [Washington Post], changing the editorial stance to **unquestioning loyalty** to their new owners.

“Essential workers” must continue to risk their lives

The spike in billionaire wealth comes amid an unprecedented economic crash; 26.5 million Americans have filed for unemployment over the last five weeks, and that number is expected to continue to rise dramatically. While the super-rich are holed up in their mansions and yachts, the **49–62 million** Americans designated as “essential workers” must continue to risk their lives to keep society functioning, even as many of them do not even earn as much as the **\$600** weekly increase in unemployment benefits the CARES Act [Coronavirus Aid, Relief and Economic Security Act]¹ stipulates. Many low paid workers, such as grocery store employees, have already fallen sick and died. The mother of one 27-year-old Maryland worker who contracted SARS-CoV-2 and died **received** her daughter’s last weekly pay check. It amounted to \$20.64.

Amazon staff, directly employed by Bezos, also **risk their lives** for measly pay. One third of all Amazon workers in Arizona, for example, are enrolled in the food stamps program SNAP [Supplemental Nutrition Assistance Program],² their wages so low that they cannot afford to pay for food.

Two sides of the same coin

The vast contrast in the effect that COVID-19 has had on the super wealthy versus the rest of

us has many concluding that billionaires’ wealth and the poverty of the rest of the world are two sides of the same coin: that the reason people working full-time still cannot afford a house or even to eat is the same reason people like Bezos control more wealth than many countries. Bezos’ solution to his employees’ hunger has been to **set up a charity** and ask for public donations to help his desperate workers.

The majority of millennials, most of them shut out from attaining the American dream, **already prefer** socialism to capitalism, taking a dim view of the latter. The latest news that the billionaire class is laughing all the way to the bank during a period of intense economic suffering is unlikely to improve their disposition.

Source: *MintPress News*, April 27, 2020

¹ *This is a \$2100 billion US national law that came into force on 27 March 2020 to provide emergency financial assistance to individuals, families and businesses affected by the economic impact of the 2020 coronavirus pandemic.*

² *In most US federal states, unemployment benefits are only paid for 26 weeks. As the number of long-term unemployed people increased, more and more people lost this government support. Once unemployment benefits are no longer paid, food stamps are available under the SNAP food aid program. In 2012, one in seven Americans (i.e. 46.4 million inhabitants) was dependent on this government support. The maximum monthly benefit is \$194 for a single household. (Wikipedia)*

Billionaire Wealth in US Surges Past \$1 Trillion Since Beginning of Pandemic

by Chuck Collins, Senior scholar at the Institute for Policy Studies, USA

It’s going to be a Billionaire Thanksgiving. The combined wealth of U.S. billionaires surpassed \$1 trillion in gains since March 2020 and the beginning of the pandemic – an increase of over 34 percent.

Tuesday, November 24, as the Dow crossed the 30,000 mark, the wealth of 650 U.S. billionaires approached a total of \$4 trillion, with \$1.008 trillion in growth since March 2020.

Of this group, 29 billionaires have seen their wealth double since March 2020. There are 36 additional billionaires in the U.S. since March 2020. There are 47 new individuals on the list, with 11 going off the list due to death or financial decline.

Some of the big gains include:

- Elon Musk’s wealth (Tesla) grew over \$100 billion since the start of the pandemic, from \$24.6 billion on March 18 to \$126 billion on November 24, an increase of 413%, boosted by his Tesla stock. His wealth now surpasses Bill Gates (Microsoft).
- Jeff Bezos’s wealth grew almost \$70 billion from \$113 billion on March 18 to \$182.4 billion.
- Dan Gilbert, chairman of Quicken Loans, saw his wealth rocket by over \$37 billion, from \$6.5 billion in March to \$43.9 billion on November 24, 2020, an increase of 575%.

Find our most recent analysis of billionaire wealth **here**.¹

The almost \$4 trillion owned by U.S. billionaires is about 3.5 percent of all privately held

wealth in the U.S., estimated at \$112 trillion. Billionaire wealth is twice the amount of wealth held by the bottom 50 percent of households combined, roughly 160 million people.

Inequality.org

Inequality.org has been tracking inequality-related news and views for nearly two decades. A project of the Institute for Policy Studies since 2011, our site aims to provide information and insights for readers ranging from educators and journalists to activists and policy makers. Our Inequality.org contributors come from the United States and around the world. Our focus throughout: What can we do to narrow the staggering economic inequality that so afflicts us in almost every aspect of our lives?

According to the **Federal Reserve, 2020 Second Quarter Distribution of Financial Accounts**,² the distribution of \$112 trillion in total private wealth is this:

The top 1% has \$34.23 trillion (=30,5%);
 The top 90–99 percentile have 43.09 (=38,5%);
 The 50–90 percentile have \$32.65 trillion (=29%);
 The bottom 50% have \$2.08 trillion (=2%).

This is not normal or predetermined by any means.

Source: inequality.org/great-divide/updates-billionaire-pandemic, November 25, 2020

¹ <https://docs.google.com/spreadsheets/d/1NrKJZ--Qi6i-favDYXWEdGjLKXwfRzybMUEI8HXHqKQQ/edit#gid=0>

² <https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/table/>

WEALTH OF U.S. BILLIONAIRES GROWS \$1.06 TRILLION (36%) IN 9 MONTHS								
March 18, 2020 - December 7, 2020								
First Name	Net Worth Mar. 18, 2020 (\$ Billions)	Dec. 7 Real Time Worth (\$ Billions)	Wealth Growth, Mar. 18 to Dec. 7, 2020 (\$ Billions)	% Wealth Growth, Mar. 18 to Dec. 7, 2020	Net Worth Feb. 8, 2019 (\$ Billions)	Wealth Growth, Feb. 8, 2019 to Dec. 7, 2020 (\$ Billions)	% Wealth Growth, Feb. 8, 2019 to Dec. 7, 2020	Source
Jeff Bezos	\$113.0	\$184.4	\$71.4	63.2%	\$131.0	\$53.4	40.8%	Amazon
Elon Musk	\$24.6	\$143.1	\$118.5	481.7%	\$22.3	\$120.8	541.7%	Tesla, SpaceX
Bill Gates	\$98.0	\$118.7	\$20.7	21.1%	\$96.5	\$22.2	23.0%	Microsoft
Mark Zuckerberg	\$54.7	\$104.8	\$50.1	91.7%	\$62.3	\$42.5	68.3%	Facebook
Warren Buffett	\$67.5	\$86.5	\$19.0	28.1%	\$82.5	\$4.0	4.8%	Berkshire Hathaway
Larry Ellison	\$59.0	\$82.0	\$23.0	38.9%	\$62.5	\$19.5	31.1%	Oracle
Larry Page	\$50.9	\$79.8	\$28.9	56.9%	\$50.8	\$29.0	57.2%	Google
Sergey Brin	\$49.1	\$77.6	\$28.5	58.0%	\$49.8	\$27.8	55.8%	Google
Steve Ballmer	\$52.7	\$72.9	\$20.2	38.4%	\$41.2	\$31.7	77.0%	Microsoft
Alice Walton	\$54.4	\$69.0	\$14.6	26.8%	\$44.4	\$24.6	55.4%	Walmart
Jim Walton	\$54.6	\$68.8	\$14.2	25.9%	\$44.6	\$24.2	54.2%	Walmart
Rob Walton	\$54.1	\$68.4	\$14.3	26.5%	\$44.3	\$24.1	54.5%	Walmart
MacKenzie Scott	\$36.0	\$59.8	\$23.8	66.2%	N/A	N/A	N/A	Amazon
Michael Bloomberg	\$48.0	\$54.9	\$6.9	14.4%	\$55.5	-\$0.6	-1.1%	Bloomberg LP
Phil Knight	\$29.5	\$52.1	\$22.6	76.5%	\$33.4	\$18.7	55.9%	Nike
SUBTOTAL	\$846.1	\$1,322.8	\$476.7	56.3%	\$821.1	\$501.7	61.1%	
ALL OTHERS	\$2,101.4	\$2,689.0	\$587.6	28.0%	\$2,289.9	\$399.1	17.43%	
TOTAL	\$2,947.5	\$4,011.8	\$1,064.3	36.1%	\$3,111.0	\$900.8	29.0%	

Sources: All data in table is from Forbes and available here. March 18, 2020 data: Forbes, "Forbes Publishes 34th Annual List Of Global Billionaires," March 18, 2020; Dec. 7, 2020 data: Forbes, "The World's Real-Time Billionaires, Today's Winners and Losers," accessed Dec. 8, 2020; Feb. 8, 2019 data: Forbes 2019 World Billionaires Report, March 5, 2019

Annual financial needs of UNHCR, Switzerland, the neighbouring countries and the USA

UN High Commissioner for Refugees

The Office of the United Nations High Commissioner for Refugees (UNHCR) was established by the UN General Assembly in 1950. Its mission is to lead and coordinate international action to protect refugees and find solutions to refugee problems worldwide. In the past seven decades or so, many millions of affected people have been able to start a new life thanks to UNHCR's help.

80 million people, or about one per cent of the world's population, were displaced at the end of 2019. This number has doubled in the last 10 years. In order to be able to fully fulfil its tasks for international refugee protection, UNHCR set a funding requirement of around 9 billion US dollars for 2020.

For years, only between 50 and 60 per cent of the required funds have actually been achieved according to annual budgets. In 2020, only just

under half of the money needed had been collected by mid-September, i.e. 4.4 billion dollars.

Sources: <https://www.unhcr.org/figures-at-a-glance.html>

Government revenue of Switzerland of its neighbouring countries and the USA in 2017 (US dollars)

Source: https://de.wikipedia.org/wiki/Liste_der_Länder_nach_Staatshaushalt

Germany	1665 billion
France	1334 billion
Italy	884 billion
Switzerland	224 billion
Austria	198 billion
Liechtenstein	1 billion
USA	3336 billion

NB: With the 1008 billion increase in wealth of the 650 US billionaires between March and December 2020, one could give a Corona support cheque of \$3000 to every single one of the 330 million or so inhabitants of the US.