

Billionaire Bonanza 2020: Wealth Windfalls, Tumbling Taxes, and Pandemic Profiteers

By [Chuck Collins](#), [Omar Ocampo](#), and [Sophia Paslaski](#)

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We bring to the attention of our readers this important study by the [Institute for Policy Studies](#).

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Introduction

Billionaires dominate our politics, culture, and economy. Their wealth, as this report shows, has concentrated mightily over the last four decades — even as the number of U.S. households with zero or negative net worth is increasing and most of us are living paycheck to paycheck.

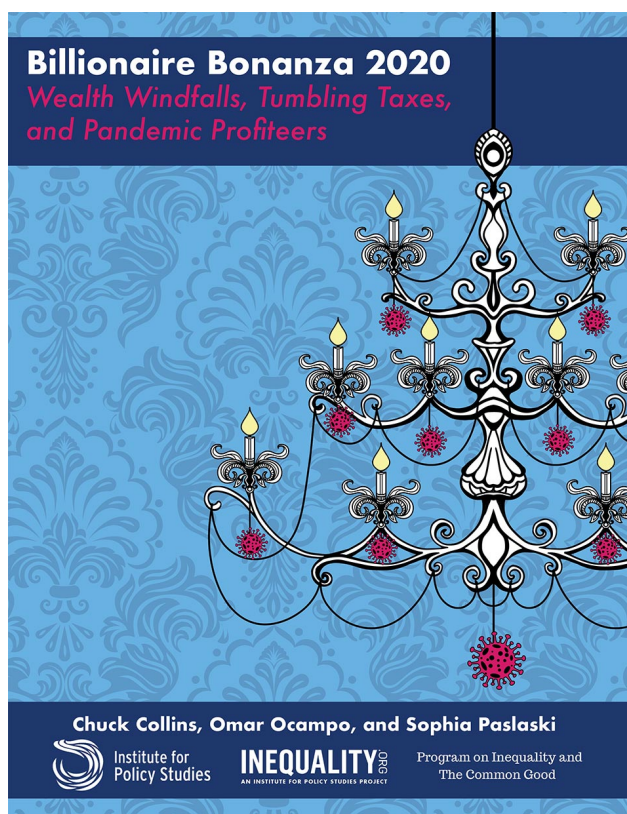
The current pandemic is exposing our central economic and social reality: Extreme wealth inequality has become America's "pre-existing condition."

In this report, we show how billionaire wealth has grown astoundingly over the last few decades — and, for some "pandemic profiteers," even more dramatically since the COVID-19 crisis — even as billionaire tax obligations have plummeted.

If this inequality isn't treated with both short and long-term tax reforms and oversight, America's "pre-existing condition" of extreme inequality could overwhelm not only our economy, but our democracy itself.

- Between January 1, 2020 and April 10, 2020, 34 of the nation's wealthiest 170 billionaires saw their wealth increase by tens of millions of dollars. Eight have seen their net worth surge by over \$1 billion.
- As of April 15, Jeff Bezos's fortune had increased by an estimated \$25 billion since January 1, 2020. This unprecedented wealth surge is larger than the Gross Domestic Product of Honduras, \$23.9 billion in 2018.
- Between March 18 and April 10, 2020, over 22 million people lost their jobs as the unemployment rate surged toward 15 percent. Over the same three weeks, U.S. billionaire wealth increased by \$282 billion, an almost 10 percent gain.
- Billionaire wealth rebounded quickly after the 2008 financial crisis. Between 2010 and 2020, U.S. billionaire wealth increased 80.6 percent, more than five times the median wealth increase for U.S. households.
- Between 1990 and 2020, U.S. billionaire wealth soared 1,130 percent — an increase more than 200 times greater than the 5.37 percent growth of U.S. median wealth.
- Measured as a percentage of their wealth, the tax obligations of America's

billionaires decreased 79 percent between 1980 and 2018.



The Billionaires and the Rest of Us

Three U.S. billionaires — Jeff Bezos, Bill Gates, and Warren Buffett — continue to own as much wealth as the bottom half of all U.S. households combined. The 400 richest Americans on the Forbes 400 list own as much wealth as America's bottom 64 percent, nearly two-thirds of the nation's households, combined.

The wealth of America's billionaires increased 10.6 percent between the Forbes global billionaires lists released in 2017, when Trump was inaugurated, and 2020. That number may be rising even more sharply now.

On April 10, 2020, Forbes' daily tally showed both an increase in the number of billionaires and a surge in billionaire net worth. Billionaire wealth increased by 9.5 percent in just 23 days during the COVID-19 crisis.

Meanwhile, an estimated 78 percent of households are living paycheck to paycheck, while 20 percent have zero or negative net worth. With unemployment surging under the pandemic, this lack of reserves has once again returned to center stage.

Billionaire Taxes Are Down 79 Percent

Between 1980 and 2018, the taxes paid by America's billionaires, measured as a percentage of their wealth, decreased 79 percent.

By allowing their tax burden to plummet, policymakers have let the nation's wealth concentrate obscenely at America's economic summit. Between 2006 and 2018, nearly 7 percent of America's real increase in wealth went to just 400 billionaires.

As we emerge from the pandemic with trillions in additional national debt, substantial tax increases will be inevitable. Our super-rich must bear their fair share of these increases.

Billionaire Wealth and the Pandemic

Roiling global markets have had a volatile effect on billionaire wealth. From 2019 to 2020, U.S. billionaire ranks increased from 607 to 614 people, but their total wealth declined from \$3.111 trillion in 2019 to \$2.947 trillion in 2020, according to Forbes.

But that may already be turning around. This year's Forbes report examines billionaire wealth as of March 18, 2020. By April 10, their wealth had surged to \$3.229 trillion, surpassing the 2019 level.

No one has benefited as much as Jeff Bezos, whose wealth surge is unprecedented in the history of modern markets. As of the publication of this report, Bezos' wealth has increased over \$25 billion since January 1, 2020 and \$12 billion since February 21st, 2020, the beginning of the COVID-19 pandemic.

Billionaire wealth, as these numbers show, tends to rebound from market meltdowns. Within 30 months of the September 2008 crash, most billionaire fortunes had recovered. And between 2010 and 2020, the combined wealth of the U.S. billionaire class surged by a staggering 80.6 percent.

Billionaire Pandemic Profiteers

Since January 1, 34 of the wealthiest 170 U.S. billionaires have seen their total net worth increase by tens of millions of dollars, according to the Bloomberg Billionaire Index. These include eight billionaires who, as of April 10, have seen wealth gains of over \$1 billion.

1. Jeff Bezos, Amazon founder and CEO: up \$10 billion (\$25 billion as of April 15, 2020)
2. Elon Musk, Tesla CEO and SpaceX founder and CEO: up \$5 billion
3. MacKenzie Bezos, novelist and philanthropist: up \$3.5 billion (and up \$8.6 billion as of April 15, 2020)
4. Eric Yuan, Zoom founder and CEO: up \$2.58 billion
5. Steve Ballmer, Los Angeles Clippers owner and former Microsoft CEO: up \$2.2 billion
6. John Albert Sobrato, Silicon Valley real estate mogul: up \$2.07 billion
7. Joshua Harris, Apollo Global Management cofounder and owner of multiple professional sports teams: up \$1.72 billion
8. Rocco Commisso, Mediacom Communications founder and CEO and owner of two professional soccer teams: up \$1.09 billion

Recommendations

- Establish a Pandemic Profiteering Oversight Committee that goes beyond oversight of stimulus funds.
- Discourage wealth hiding through passage of the Corporate Transparency Act.
- Levy an emergency 10 percent Millionaire Income Surtax.
- Unleash a Charity Stimulus to mandate payouts of donor-advised funds and emergency 10 percent payout for private foundations for three years.

- Make the federal estate tax more progressive and institute a wealth tax.
- Shut down the global hidden wealth system.

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Articles by: [Chuck Collins](#),
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