

Candidates file personal finance disclosure reports

The American presidency: Only millionaires need apply

Tom Carter
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Most candidates for president in the 2008 US elections from both of the major political parties filed their personal finance disclosure reports with the Federal Election Commission (FEC) last week. The reports indicate that the top candidates from both parties are all multimillionaires.

Over the past several decades, huge amounts of wealth have been concentrated in the hands of a tiny financial elite at the expense of the rest of the population. One consequence of this social stratification is that the interests of the very rich have more and more openly come to dominate American politics. This political fact is reflected in the personal wealth of those considered serious contenders for the presidency.

Republican candidate Rudy Giuliani's net worth almost doubled in 2006 to more than \$30 million. Cashing in on his national celebrity following the September 11 attack, he made \$11.4 million from some 124 recent public speeches, for which he charged as much as \$200,000 apiece. He also made \$4.1 million from his consulting firm Giuliani & Company, \$1.2 million from his law firm Bracewell & Giuliani, and \$3 million in advance royalties for his recently published book.

Republican candidate Willard "Mitt" Romney is by far the wealthiest of the current contenders for the White House, with personal assets by most estimates of well over a quarter of a billion dollars. Romney has yet to file his personal financial disclosure report. According to an article earlier this month in the *Washington Post*, he "will also disclose that he has between \$70 million and \$100 million set aside in a blind trust for his five children and 10 grandchildren."

Romney, the former governor of the state of Massachusetts, former CEO of Bain & Company, and CEO of the 2002 Olympic Winter Games, made his millions as a venture capitalist. Bain Capital, which Romney founded in 1984, was responsible for financing Staples, Domino's Pizza, Brookstone, and other firms.

Republican candidate John McCain's net worth is estimated at anywhere from \$20 to \$32 million. His wife, Cindy McCain, is the daughter of a millionaire Arizona beer magnate. In addition to a long list of stocks, securities, and investment funds, the senator listed an agreement with A&E Television Networks to make a film based on his book *Faith of My Fathers*.

An attachment to Democrat Barack Obama's filing notes that he received a \$1.9 million advance on royalties for his various book deals. His total assets were reported as of this filing as ranging between \$450,000 and \$1,140,000. He listed \$425,000 in royalties from publishing company Dystel & Godrich for his book *The Audacity of Hope*, as well as \$147,490 from Random House for *Dreams of My Father*.

Democrat Hillary Clinton has not yet filed her personal financial reports with the FEC, but her massive personal hoard is no secret. In 2005, she was ranked the 14th-wealthiest member of the Senate, with personal assets ranging anywhere from \$10 million to \$50 million, according to a personal financial disclosure report filed at the outset of her 2006 campaign for reelection.

According to the Center for Responsive Politics, Clinton and Obama ranked first and second respectively in the Senate in 2005 in terms of income received outside of their congressional salaries. Clinton

received \$8.4 million that year—\$877,000 herself and \$7.5 million from Bill Clinton’s book deals—while Obama took in \$1.2 million.

Democrat John Edwards, who likes to be introduced at campaign rallies as “a blue collar president for blue collar America,” reported his net worth at \$29.5 million, and his income over the past 16 months at \$1.25 million. He received \$479,512 in salary alone from the New York City-based hedge fund Fortress Investment Group LLC, where he was briefly employed as a consultant.

Edwards also received \$415,000 from 13 high-profile speaking engagements in 2006. This is an average of around \$32,000 per speech—a sum equal to what many blue collar workers earn for an entire year of full-time work. The remainder of his income was derived from returns on the millions he has invested in hedge funds and the stock market.

It required a full 48 pages to itemize Edwards’s portfolio, assets and income. He lists investments in some of the most powerful American corporations: 3M, American Express, Apache, Apple Computers, Carnival, Cisco Systems, Citigroup, Dell, General Electric, Goldman Sachs, Home Depot, Intel, Microsoft, Pepsi, Procter & Gamble, Target, United Parcel Service, Vodafone, Walgreen, and Wells Fargo, to name a few. The value of Edwards’s holdings in Fortress Investment Fund III (Fund D) LP is reported as between \$1 million and \$5 million.

The millionaire investor also possesses 13 retirement plans, including one—the Kirby and Holt 401(k) Plan—that involves 11 pages of holdings, bonds, and funds.

Edwards has made opposition to sub-prime home loans a centerpiece of his campaign, frequently denouncing “shameful lending practices” that are “compromising our strength as a nation.” Yet his single largest source of income in the recent period is Fortress Investment Group—also the largest single contributor to his campaign—which, according to a May 11 article in the *Washington Post*, expanded its role in the sub-prime lending market during Edward’s tenure at the firm, increasing its holdings in top sub-prime lenders Centex Home Equity (now Nationstar Mortgage) and Green Tree Servicing to more than \$1 billion.

“In March, Newcastle Investment Corp., a real estate investment trust managed by Fortress, announced that

it, too, was moving into the sub-prime market with the purchase of a \$1.7 billion loan portfolio,” reported the *Post*. “Also in March, Fortress bought about \$4 billion in sub-prime loans from Fremont General Corp.,” the newspaper said.



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