

Wealth of world's billionaires doubles since 2009

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Even as workers in the US and other countries have seen their incomes plummet, the combined net worth of the world's billionaires has doubled since 2009, according to a report published Tuesday by UBS and Wealth-X, a consultancy that tracks super-rich individuals.

The collective wealth of the world's billionaires hit \$6.5 trillion, a figure that is nearly as large as the gross domestic product of China, the world's second-largest economy. The number of billionaires has grown to 2,170 in 2013, up from 1,360 in 2009, according to the report.

The vast enrichment of this social layer has been driven by surging stock markets, fueled by the "easy money" and money-printing operations of the US Federal Reserve and other central banks. This process is intensifying. Last week the European Central Bank, responding to a deterioration of economic conditions in Europe, cut its benchmark interest rate in half, from 0.5 to 0.25 percent, sending a new wave of cash into financial markets.

The day after Wealth-X released its report, Twitter, the social networking service, held its initial public offering, creating 1,600 paper millionaires in a single day, as its stock doubled within hours, according to the financial analysis firm PrivCo. The site's co-founder, Evan Williams, increased his wealth by \$1 billion in the process, to \$2.5 billion. Fellow co-founder Jack Dorsey made \$500 million, bringing his wealth to \$2 billion.

The wealth report reflects the parasitic growth of the financial sector throughout the world economy. Seventeen percent of billionaires got their wealth from the finance, banking, and investment sectors, more than any other, while only eight percent are associated with manufacturing.

The vast expansion in the incomes of the super-rich comes even as social services are being slashed in the US, Europe and throughout the world. Earlier this month, food stamp benefits were reduced for the first time in US history, and extended unemployment benefits are scheduled to expire entirely at the end of the year.

The budget for the SNAP food stamp program is currently \$74.6 billion a year, and funding the extended unemployment benefit extension, scheduled to expire in January, for one year would cost \$25.2 billion. The combined net worth of the 515 billionaires in the US would pay for the food stamp and extended unemployment benefit program for an entire century.

In addition to analyzing the wealth of the world's billionaires, the report documents the vast sums expended by the world's billionaires on luxury items. The world's billionaires hold about \$126 billion in yachts, private jets, art, antiques, fashion, jewelry, and collectable cars. This figure is larger than the gross domestic product of Bangladesh, a country of 150 million people.

The world's 2,170 billionaires own \$48 billion in yachts, or an average of \$22 million each. To put this figure in perspective, the United Nations has estimated that ending global hunger would take an investment of \$30 billion per year.

The report estimated the real estate holdings of the world's billionaires at \$169 billion, averaging \$78 million per individual. As the report noted, "The average billionaire owns four homes, with each one worth nearly US\$20 million."

The report added, "Time and space are rarely boundaries for the world's billionaires, many of whom have a private jet or two, a super yacht and other comfortable and speedy modes of transport, not to

mention several homes dotted around the globe.”

Despite their mobility, the world’s billionaires are congregated around major financial cities such as New York City, which has 96 billionaires, followed by Hong Kong with 75, Moscow with 74, and London with 67. If the wealth of New York City’s billionaires were divided up among the city’s 1.7 million poor residents, they would each get \$170,000.

This social layer exists as an enormous drain on world society, producing nothing of value, but monopolizing vast resources. Not only are vast social resources devoted to their personal enrichment, but their domination over economic and political life acts as a block to any rational solution to the great problems confronting mankind. The super-rich control all aspects of political life throughout the world, with disastrous consequences.

This state of affairs is the inevitable outcome of the capitalist system, which treats the wealth of the world’s billionaires as sacrosanct, and the needs of the population, such as education, housing, healthcare, as expendable.



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