

Wealth-X report: Billionaire wealth surged during pandemic

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A new report from research firm Wealth-X found that the global COVID-19 pandemic has intensified the growth of social inequality and witnessed an unprecedented accumulation of wealth among the most privileged layers in society. For the first time in human history, the world had more than 3,000 billionaires in 2020.

This amounts to a 13.4 percent increase in billionaires since 2019, currently totaling 3,204 individuals, with a median wealth of \$1.9 billion. Billionaires' collective wealth swelled to \$10 trillion, a 5.7 percent increase from 2019.

"Viewed in aggregate, the global pandemic delivered a windfall to billionaire wealth, boosted by the flood of monetary stimulus and swelling profits in key sectors that coined a new wave of younger, self-made billionaires," the report said.

Billionaire wealth has increased steadily since 1990, but one-third of these wealth gains have occurred during the pandemic. US billionaire wealth increased nineteen-fold over the last 31 years, from an inflation adjusted \$240 billion in 1990 to \$4.7 trillion in 2021.

The parasitic growth in wealth was most pronounced in the United States, the center of world capitalism. The ranks of billionaires in all of North America grew by 17.5 percent from last year. In fact, North America's 980 billionaires account for 30.6 percent of the world's billionaires.

The US was the top billionaire country in 2020. According to a report from Americans for Tax Fairness (ATF) and the Institute for Policy Studies Program on Inequality (IPS), American billionaires have seen their collective wealth surge by 62 percent, approximately \$1.8 trillion, since March 18, 2020. Following North America, Asia saw its number of billionaires growing by 16.5 percent, to a grand total of 883. Asia's

billionaires saw their collective net worth grow to \$2.6 trillion, a 7.5 percent increase.

The good fortune of this tiny layer of the world's population over the past 18 months is all the more appalling when contrasted to the growing immiseration and impoverishment of billions of workers around the globe. As a few thousand billionaires amassed enormous sums of wealth, workers around the world lost \$3.7 trillion in earnings during the pandemic, according to a report from the International Labor Organization (ILO).

The report estimated an 8.8 percent year-by-year decline in global working hours from 2019 to 2020, equivalent to 255 million full-time jobs. This is approximately four times greater than the recorded loss during the 2008-09 global financial crisis.

The lost working hours were due to massive cuts in working hours and unprecedented levels of job loss, impacting some 114 million people and their families. Significantly, 71 percent of these job losses came from "inactivity," meaning at least 81 million people around the world left the labor market because they could not find work.

Women have been more adversely affected by the pandemic than men. Globally, employment losses for women stand at 5 percent, versus 3.9 percent for men. Women were much more likely than men to drop out of the labor market, most commonly due to childcare concerns. Younger workers have also been devastated. Employment fell by 8.7 percent among workers aged 15-24 years old, compared to 3.7 percent for older adults. Generation Z, the oldest of whom is 23, has become the most unemployed generation and is on track to experience the same financial struggles as millennials.

In the US alone, the official poverty rate rose by 1.0

percent from 2019 to 2020, according to the US Census Bureau. It grew to 11.4 percent, marking the first increase in the official poverty rate after five years of consecutive decline. In 2020, there were 37.2 million people in poverty, approximately 3.3 million more than in 2019.

At the same time, median household income in 2020 dropped by 2.9 percent from the previous year. This is the first statistically significant decline in median household income since 2011.

Over 86 million Americans have lost jobs, almost 38 million have been sickened by the virus, and over 675,000 have died from it. Between 2019 and 2020, the real median earnings of all workers fell by 1.2 percent. The total number of people reporting earnings decreased by about 3 million, while the number of full-time, year-round workers decreased by approximately 13.7 million.

The chief obstacle to solving the world's burning social questions—whether the devastating impact of COVID-19 or the widespread growth of poverty—is the private profit interests of the capitalist ruling class. Every action these vultures have taken in response to the pandemic has been driven by the effort to protect the wealth and privileges of a few. To save lives and avert even further disaster, workers must fight for a policy based on the interests of the working class, the vast majority of society.



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