

# US billionaire wealth increased 70 percent since the start of the pandemic

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The wealth of US billionaires has increased by a massive \$2.1 trillion, or 70 percent, since the onset of the coronavirus pandemic, while tens of millions of working people have faced unemployment and illness, and 724,000 have died from COVID-19. Additionally, the list of American billionaires grew by 131 individuals—going from 614 to 745—during the same period.

According to an analysis of *Forbes* data about US billionaires by Americans for Tax Fairness (ATF) and the Institute for Policy Studies (IPS) Program on Inequality, the wealth of the richest people in the country increased from “just short of \$3 trillion at the start of the COVID crisis on March 18, 2020, to over \$5 trillion on October 15 of this year,” and this wealth is “two-thirds more than the \$3 trillion in wealth held by the bottom 50 percent of U.S. households estimated by the Federal Reserve Board.”

In an accompanying press release, the ATF and IPS state that the “great good fortune of these billionaires over the past 19 months” is in stark contrast with the “89 million Americans [who] have lost jobs, over 44.9 million [who] have been sickened by the virus” and the nearly three-quarters of a million who have died from it.

The billionaire who increased his wealth the most is Elon Musk. The wealth of the CEO of Tesla and SpaceX grew by an incredible 751 percent during the pandemic, from \$24.6 billion to \$209.4 billion. Musk became the wealthiest individual in the country, beating out Amazon CEO Jeff Bezos, who went from \$113 billion to \$192 billion, or a 70 percent increase over the 19-month period.

Other top billionaires who increased their wealth significantly during the pandemic include the founders of Google (now Alphabet, Inc.) Larry Page and Sergey

Brin, who saw their fortunes rise by 137.2 percent to \$120.7 billion and 136.9 percent to \$116.2 billion, respectively. Phil Knight, founder and chairman emeritus of Nike, Inc., nearly doubled his wealth since March 2020 from \$29.5 billion to \$57.9 billion.

A further analysis of the *Forbes* data shows that 12 percent of US billionaires are women, including Alice Walton of the Walmart empire with a personal fortune of \$64.5 billion, up from \$54.4 billion, and MacKenzie Scott, the former wife of Jeff Bezos, who increased her wealth by 54 percent this year from \$36 billion to \$55.5 billion. There are five billionaires in their twenties, including Sam Bankman, the 29-year-old CEO of the cryptocurrency exchange FTX, who was not previously on the *Forbes* list until this year, when he amassed \$22.5 billion.

California has the largest number of billionaires in the US with 196. There are 182 billionaires in the finance and investment business and 142 in the technology industries. The next highest number is in the fashion and retail sector with 52 billionaires, with the Walton family members and Phil Knight at the top of the list, followed by Leonard Lauder (Estee Lauder), John Menard, Jr. (Menards) and Hank and Doug Meijer (Meijer), each with more than \$10 billion in their fortunes.

The ATF and IPS analysis has been published as part of the campaign by Democratic Party senator from Oregon and chairman of the Senate Finance Committee Ron Wyden to get support for a Billionaires Income Tax (BIT) bill in the U.S. Congress. The Wyden tax plan—which he announced on September 23—is part of the negotiations now underway in Washington D.C. over the Biden administration’s Build Back Better Agenda infrastructure plan.

The press statement says that 67 national

organizations have sent letters to Congress “expressing concern that neither the Ways and Means committee plan nor President Biden’s plan will adequately tax billionaires,” although the statement says that Wyden’s BIT proposal—the specific details of which have yet to be disclosed—is supported by the White House.

The ATF and IPS press release states that “most of these huge billionaires’ gains will go untaxed under current rules and will disappear entirely for tax purposes when they’re passed onto the next generation.” The statement reveals that, on average, billionaires pay an “effective federal income tax rate of about 8 percent” and that this is a lower rate than many “middle income taxpayers pay like teachers, nurses and firefighters.”

The document further explains how the super-rich avoid paying income tax on their enormous wealth increases. Most of their income comes from “the increased value of their investments such as stocks, a business or real estate, rather than a paycheck like most people,” and they do not have to pay taxes on this wealth unless they sell the assets. “But the ultra-rich don’t sell assets,” the statement says; instead they borrow money against their assets from the banks at extremely low interest rates “and live lavishly tax free.”

Even when they do sell the assets, the super-rich only pay a top capital gains tax rate of 20 percent—plus a 3.8 percent Net Investment Income Tax (NIIT)—that is far below the current top rate of 37 percent they would pay in taxes on an equivalent salary.

The report says that many billionaires have paid zero taxes in recent years, “including Jeff Bezos, Elon Musk, Michael Bloomberg and George Soros” and the top 25 billionaires in the US “paid a tax rate of just 3.4 percent on a \$400 billion increase in their collective fortune between 2014-18.”

The ATF and IPS analysis fails to mention that the grotesque increase in the number and wealth of America’s billionaire capitalist elite over the past 19 months has been fueled by a combination of an increase in the exploitation of the working class during the public health crisis and the unprecedented purchase of \$7 trillion in financial assets by the Federal Reserve Bank as part of the US government’s pandemic stimulus response.

The staggering sums of billionaire wealth being

accumulated at one pole of society, both within the US and on an international scale, are mirrored in the negative by the increasing poverty and suffering of the poor and working-class populations in the billions. The ruling elite is using the pandemic to accelerate, like a runaway train, the process of wealth inequality that has been underway for decades. But the working class is beginning to articulate its response to this crisis in the form of a strike wave developing throughout the United States and around the globe.



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