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ISSUE BRIEF

WEALTH OF WORLD'S BILLIONAIRES SURGES US \$4 TRILLION DURING PANDEMIC YEAR

Millionaires call on finance leaders to focus recovery efforts on reducing inequality.

March 31, 2021

Key Findings

- The planet's 2,365 billionaires have seen their wealth increase US \$4 trillion, or 54 percent, during the pandemic year. Their combined wealth rose from US \$8.04 trillion to US \$12.39 trillion between March 18, 2020 and March 18, 2021.
- There were 270 new billionaires on the global list since a year ago, while 91 billionaires fell off the list.
- At the global level, the wealthiest 20 billionaires have a combined \$1.83 trillion in wealth –with an increase of \$742 billion, or 68 percent, over the pandemic year. In comparison, the 2019 GDP of Spain was US \$1.3 trillion.

While billionaires were getting richer, the pandemic caused the global economy to shrink by 3.5 percent in 2020, according to the IMF. COVID-19 has been an accelerant on global inequality, with acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors.

- If global billionaires had paid an annual wealth tax in 2020, modeled on the “Ultra-Millionaire Tax” levy proposed by U.S. Senator Elizabeth Warren, they would have paid an estimated **\$345 billion** in wealth taxes. Based on modest expectations of wealth growth, a small wealth tax such as this would raise **\$4.14 trillion** over the next decade.¹
- **The “Ultra-Millionaire Tax”** would levy an annual 2 percent wealth

tax on assets over \$50 million –and a 3 percent tax on assets over \$1 billion. Our estimates track this law by exempting wealth under \$50 million and tax assets between \$50 million and \$1 billion at a 2 percent rate.

- The annual revenue from this wealth tax would be more than twice the estimated **\$141.2 billion** cost of delivering COVID-19 vaccines to every person on the planet, according to estimates from Oxfam.²
- The U.S. accounts for less than one-third of billionaire wealth on the global list. In the US alone, if this tax was applied to US billionaires on the Forbes Billionaires List, this would **generate \$120 billion a year, or \$1.5 trillion over the next decade.**

Wealth in the United Kingdom:

Turning to the UK, between March 2020 and 2021, the 54 UK billionaires saw their wealth increase £40 billion (US \$54.9 billion), a gain of 36 percent. Their combined wealth increased from £112.3 billion (US \$154 billion) to £152.36 billion (US \$208.9 billion).

In the same year the UK economy shrank by a record 9.9 percent and the number of people on Universal Credit – a welfare payment that supports people out-of-work or on a low income – increased by 98% to 6 million people.

In December 2020, the UK Wealth Tax Commission recommended that a one-off wealth tax in the UK, of 1% over 5 years, could generate £260 billion if applied to individuals with wealth over half a million pounds. If the 54 billionaires in the UK paid a one-time 5 percent wealth tax, exempting £500,000, it would raise an estimated US \$8.6 billion, or £6.28 billion.³

Pandemic Wealth Gainers: The 500 Club

Fourteen global billionaires have seen their wealth increase more than 500 percent over the pandemic. Here they are, with a summary of their percent gain and amount of wealth increased over past year.

1. **Zhong Shanshan (3300%/\$66 billion gain)**, China. Saw his wealth rise an eye-popping 3,300 percent during the pandemic year, from \$2 billion to \$68 billion. The wealth surge was the result of two of his

companies going public in 2020, Nongfu bottled water and Beijing Wantai Biological Pharmacy.

2. **Tatyana Bakalchuk (1,200%/\$12 billion gain)**, Russia. Founded the e-commerce apparel company, Wildberries. Her wealth increased by \$12 billion over the pandemic, rising from \$1 billion to \$13 billion.
3. **Zuo Hui (714%/\$15.9 billion gain)**, China. Chair of Homelink, China's largest real estate brokerage company. Wealth increased \$15.9 billion, from \$2.2 billion to \$17.9 billion
4. **Bom Kim (670%/\$6.7 billion gain)**: South Korea (U.S. citizen). Wealth has increased 670%, from \$1 billion to \$7.7 billion over the pandemic year. Founder of the e-commerce giant Coupang, the Amazon of South Korea. Kim's fortune surged as high as [\\$11 billion after the company's IPO](#) in early March.
5. **Dan Gilbert (642%/\$41.7 billion gain)**: USA. Owner of Quicken Loans, which capitalized on cloistered citizens tapping online financing. Wealth increased 641.5%, from \$6.5 billion to \$48.2 billion over the pandemic year.
6. **Cheng Yixiao (614%/\$13.5 billion gain)**, China. Co-founder of Kuaishou, a video platform based in Beijing. Wealth increased \$13.5 billion, from \$2.2 billion to \$15.7 billion during the pandemic year.
7. **Su Hua (583%/\$16.9 billion gain)**, China. Also a co-founder of video platform and live-streaming app, Kuaishu. Hua's wealth increased \$16.9 billion during the pandemic year, from \$2.9 billion to \$19.8 billion.
8. **Ernest Garcia II (567%/\$13.6 billion)**, USA. Wealth increased 566.7 percent, from \$2.4 billion to \$16 billion during the pandemic year. Biggest shareholder of Carvana, the online car sales and auto-financing giant.
9. **Elon Musk (\$559%/\$137.5 billion gain)**: USA. Musk is now the third wealthiest person in the world as his shares in Tesla, Space-X and other companies that he owns continue to climb. Wealth increased \$558.9 percent, from \$24.6 billion to \$162.1 billion during

the pandemic year (down \$9.9 billion from March 17, 2021, so fluctuating wildly).

10. **Brian Armstrong (550%/ \$5.5 billion gain):** USA. Chief executive of Coinbase, the largest cryptocurrency exchange in the country. Wealth increased 550 percent, from \$1 billion to \$6.5 billion during the pandemic year.
11. **Chan Tan Ching-Fen (540%, \$8.1 billion gain),** Hong Kong. Wealth comes from Hang Lung Group, a large real estate founded by her late husband. Wealth increased \$1.5 billion to \$9.6 billion, an increase of \$8.1 billion over the pandemic year.
12. **Bobby Murphy (531%/ \$10.1 billion gain):** USA. . Wealth increased 531 percent, from \$1.9 billion to \$12 billion during the pandemic year. Co-founder of Snapchat, with his Stanford fraternity brother, Evan Spiegel (**490%/ \$9.3 billion gain**).
13. **Forrest Li (500%, \$9.5 billion gain),** Singapore. Li's wealth increased \$9.5 billion, from \$1.9 billion to \$11.4 billion during the pandemic year. He is owner of the online gaming and e-commerce platform, Sea.

View the complete digital worksheet on Global Billionaires [HERE](#).

Authors

Patriotic Millionaires. <https://patrioticmillionaires.org/about/>

Proud “traitors to their class,” members of the Patriotic Millionaires are high-net worth Americans, business leaders, and investors who are united in their concern about the destabilizing concentration of wealth and power in America. Its founder, Erica Payne, and Chair of the Board, Morris Pearl, have a book entitled [Tax The Rich](#) coming out on April 13. In an effort to combat the global problem of inequality, the Patriotic Millionaires now has a global Partners In Progress initiative, aimed at building a network of High-Net-Worth individuals prepared to advocate on the need to fight inequality by taxing the rich at the global level.

UK Millionaires. In the UK, a sister organisation of UK High-Net-Worth individuals is forming to call for action on economic inequality by taxing wealth in the UK.

Millionaires for Humanity. <https://www.millionairesforhumanity.com/>

Institute for Policy Studies: <https://ips-dc.org>

The [Institute for Policy Studies](#) is a multi-issue research center that has conducted ground-breaking research on inequality for more than 20 years. The IPS Program on Inequality and the Common Good, and the [Inequality.org](#) website, provide research, advocacy and policy development on issues related to economic inequality.

Methodology

These statistics come from new analysis prepared by the Institute for Policy Studies Program on Inequality using data from Forbes, Bloomberg, and Wealth-X. For the full analysis, see [HERE](#).

The Institute for Policy Studies and the Americans for Tax Fairness (ATF) have conducted a number of joint studies on billionaire wealth during the pandemic. They released an estimate of the impact of the Ultra-Millionaire Tax for 2020. See ATF’s Resource Page on the Wealth Tax: <https://americansfortaxfairness.org/wealth-tax/>. See the 2020 study on wealth tax and billionaires here: <https://americansfortaxfairness.org/issue/warren-wealth-tax-raised-114-billion-2020-nations-650-billionaires-alone/>.

Billionaire wealth growth is calculated between March 18, 2020 and March 18, 2021, based on *Forbes* data. March 18 is used as the unofficial beginning of the crisis because by then most [federal](#) and [state](#) economic restrictions responding to the virus were in place. March 18 was also the date that *Forbes* picked to measure billionaire wealth for the 2020 edition of its annual world billionaires’ report, which provided a baseline for reports that IPS and the Americans for Tax Fairness have to periodically examine U.S. billionaire trends with real-time data from the *Forbes* website. [PolitiFact has favorably reviewed](#) this methodology.

The **10-year revenue estimate for the Ultra-Millionaire tax** uses the wealth-growth assumptions employed by economists Emmanuel Saez and Gabriel Zucman. Their 10-year revenue estimate assumes taxable wealth will grow at about 4% per year, the standard used by the Congressional Budget Office and the Joint Committee on Taxation in their revenue calculations. This uniform wealth-growth assumption is very conservative, however, when applied to the super-wealthy, whose fortunes have grown substantially faster than average in recent decades. Saez and Zucman estimates show that between 1980 and 2016 the real wealth of the richest 0.1% grew 5.3% a year on average. This is 2.8 points above the average real GDP growth of 2.5% per year. Average real wealth of the Forbes 400 has grown even faster: 7% per year, 4.5 points above the average. Based on Forbes data, total billionaire fortunes grew faster still over the past 10 years, from an inflation-adjusted total of \$1.6 trillion in 2010 to \$4.1 trillion at the end of 2020—a 150% increase, or an average annual hike of 10% after compounding. So, it is likely billionaire wealth will continue to increase at a healthy clip even once subject to a wealth tax.

End Notes

¹ The “Ultra-Millionaire Tax” would levy an annual 2 percent wealth tax on assets over \$50 million –and a 3 percent tax on assets over \$1 billion. Estimates from the Institute for Policy Studies track this law by exempting wealth under \$50 million and tax assets between \$50 million and \$1 billion at a 2 percent rate.

² Oxfam, *The Inequality Virus*, Methodology note, January 2021, [online](#). The cost of delivering COVID-19 vaccines Oxfam estimated the cost of delivering a COVID-19 vaccine to every person on the planet based on data provided by the Access to COVID-19 Tools (ACT) Accelerator.¹¹ This initiative reported that total funding of \$18.1bn was needed in 2020–21 for end-to-end production of two billion doses of vaccine globally, including research and development, manufacturing, procurement, distribution and delivery. Assuming that only one dose is needed per person over time, this is equivalent to a cost of \$9.05 per person, or \$70.6bn for the entire world population. Immunization rates for other diseases rarely reach 100%, however, and patients may require more than one dose for any COVID-19 vaccine to be effective over time. If, as is likely, two doses are required, the cost could be double this at \$141.2bn.

Statistics on Universal Credit in the UK are from the UK Government statistics - <https://www.gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-14-january-2021/universal-credit-statistics-29-april-2013-to-14-january-2021>

³ The Wealth Tax Commission recommended a one off wealth tax in December 2020 - <https://www.ukwealth.tax>. GBP £500, 000 is equal to US\$685,000. Exempting this amount from total UK billionaire wealth of US \$209 billion by US \$37 billion, the 5 percent tax would raise US \$8.6 billion in one year, or £6.28 billion.