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How Rich Are the 400 Richest Americans?

And What They Do With Their Money

by LAWRENCE WITTNER

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In the supposedly classless society of the United States, the wealthiest Americans are doing remarkably well.

According to *Forbes*, a leading business magazine, the combined wealth of the 400 richest Americans has now reached the staggering total of \$2.3 trillion. This gives them an average net worth of \$5.7 billion—an increase of 14 percent over the previous year.

With fortunes far beyond the dreams of past kings and potentates, these super-wealthy individuals enjoy extraordinary lifestyles. Larry Ellison, the third wealthiest man in the United States (with \$50 billion, an increase of 22 percent) reportedly has “15 or so homes scattered all around the world.” Among his yachts are two exceptionally big ones, each over half as long as a football field. In fact, they’re large enough for him to play basketball while on board. If a ball bounces over the rail, Ellison has a powerboat following along to retrieve it.

Other Americans aren’t doing nearly as well. According to the Census Bureau, more than 45 million Americans are living in poverty, which it defines as under \$11,490 a year for an individual and under \$23,550 for a family of four. Many of them endure lives of hunger, misery,

and despair, helped along by a Congress that has slashed billions from government food stamp programs, ended extended unemployment benefits, and refused to raise the minimum wage.

America's middle class, plagued by stagnant income and declining wealth, has also suffered. According to the Federal Reserve, between 2010 and 2013 median income in the United States fell by five percent. Indeed, since 1989, the median net worth of the statistical middle class—the middle 20 percent of Americans—has dropped by nearly 18 percent.

Not surprisingly, economic inequality is growing in the United States. From 1978 to 2013, CEO compensation, inflation-adjusted, grew by 937 percent, while the typical worker's compensation over that same period grew by only 10 percent. Thus, although the CEO-to-worker compensation ratio was 20-to-1 in 1965, it stood at 296-to-1 in 2013. The same pattern prevails when it comes to wealth. From 1989 to 2013, the wealthiest three percent of Americans increased their share of the wealth from 44.8 percent to 54.4 percent, while the bottom 90 percent found their share of the wealth dropping from 33.2 percent to 24.7 percent. Today, the United States has the fourth most uneven income distribution among economically developed nations.

Against this backdrop, Americans might consider whether the richest among them really deserve their privileged status. After all, many of them have simply inherited great wealth and sat back as it grew still greater. Others, such as owners of multinational corporations, have acquired vast wealth through government favors, including financial subsidies, tax breaks, and expensive weapons procurement programs. Still others have “earned” their wealth through employment of dubious value. According to *Forbes*, the top “industry” among the 400 richest Americans is “Investments.” Are these stock market and hedge fund speculators really the most valuable members of American society?

Also, many of the wealthiest Americans have grown richer at the expense of others. In 2005, Larry Ellison (#three, of the giant yachts) bought out PeopleSoft, an 11,000-employee competitor, and then eliminated the jobs of 5,000 of them. Or consider the four members of the Walton family—owners of Wal-Mart, the country's biggest private employer—who rank among the top 10 richest Americans, with a combined net worth of \$143.7 billion. Most of their full-time workers are paid less than \$25,000 a year. Wal-Mart's cashiers, for example, average \$8.48 an hour, and thousands of Wal-Mart workers receive no more than the minimum wage (\$7.25 an hour). These low wages keep many of the company's workers mired in poverty and dependent upon government assistance. Indeed, it is estimated that Wal-Mart's low-wage workers cost American taxpayers \$6.2 billion a year in public assistance, including food stamps, Medicaid, and subsidized housing.

Furthermore, the richest Americans often use their wealth to campaign against the public good. Pre-eminent among them are Charles and David Koch, the sons of a wealthy founder of the John Birch Society, as well as the fourth and fifth richest Americans (with \$84 billion). Over the years, the Koch brothers have used their vast wealth to champion the abolition of public schools, the postal system, minimum wage laws, Social Security, Medicare, Medicaid, the Food and Drug Administration, and the Environmental Protection Agency. Bankrolling a broad variety of rightwing groups and foundations, they have zealously opposed legislation providing

for environmental protection, health care reform, and limits on campaign contributions. As massive financiers of rightwing election campaigns—including more than \$400 million to candidates in 2011-2012 alone—they have been very effective in pulling the Republican Party and American politics rightward.

Even Americans who place some of their enormous wealth in tax exempt foundations often use them for questionable purposes. Since 2008, the Gates Foundation—funded by Bill Gates (the nation’s wealthiest individual, with \$81 billion)—has spent at least \$2 billion to undermine public schools by promoting charter schools, high-stakes standardized testing, and other corporate educational initiatives. The Gates Foundation has also played a key role in creating organizations opposing teacher unions and teacher tenure. Meanwhile, the Walton Foundation contributed more than \$750 million to these efforts. In Milwaukee, the Walton Foundation funded the organizations that developed and pushed through that city’s school voucher program. In addition, both the Gates and Walton Foundations have funded the work of ALEC, the rightwing operation that has successfully promoted the passage of state laws that restrict voting rights, weaken unions, privatize education, harass immigrants, encourage “Stand Your Ground” behavior, and, of course, provide big tax cuts for the rich.

Americans talk fondly of equality, but, to paraphrase a statement in George Orwell’s satire about another allegedly classless society, in this country some people are more equal than others.