America’s Billionaires Much Richer Than Originally Estimated

Original article

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According to a new study by economists Gabriel Zucman and Emmanuel Saez the wealth of the richest .01% of Americans may be much higher than what was originally thought. The authors examined a Princeton study which concluded that "wealth is less concentrated among the very rich (the top 0.1%) than many believe". more

Zucman and Saez challenged the methodology used by the authors of the Princeton research on the basis that their estimates "dramatically under-estimate billionaires' equity wealth". Zucman and Saez were able to take disclosures from the Securities and Exchange Commission to formulate more realistic estimates of billionaire wealth which was not done by the Princeton research.

> *"For example, their methodology values Mark Zuckerberg's stake in Facebook at $1.3 billion in 2016 (vs. $53 billion in actual facts), Jeff Bezos's stake in Amazon at $5.7 billion (vs. $61 billion), and Warren Buffett's stake in Berkshire Hathaway at $0 (vs. $72 billion)", conclude Zucman and Saez.*

The Princeton authors' research also underestimated billionaire wealth as it understated the ownership of large passthrough entities such as partnerships. Zucman and Saez also suggest that ownership of fixed-income assets of the billionaires is underestimated due to a questionable extrapolation of unrepresentative investment funds.

It is unsurprising that U.S. wealth would be concentrated amongst the billionaires, nor that Princeton academics would have any issue understating the wealth of the American oligarchs. Under the capitalist system the means of production are privately owned by the capitalist class and societal wealth concentrates in their hands. As long as the capitalist system continues to exist, the oligarchs will continue to exploit workers all over the world for their personal gain.

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