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As North Carolinians Struggle During Pandemic Recession, the Coronavirus Has Been Very Good to Billionaires

Meanwhile State & Local Government Services Face Deep Cuts as Congress Stalls on New COVID-19 Financial Aid Package

CHARLOTTE— Forbes Magazine is out with its annual list of global billionaires, and Forbes’ own real-time financial data tracker shows the global pandemic has been very, very good to some of those global billionaires. Meantime, North Carolina’s economy has been reeling from a huge spike in joblessness and a collapse in taxes collected. [A new report](#) by Americans for Tax Fairness (ATF), Health Care for America Now (HCAN) and Action NC connects the dots.

And as some of America’s billionaires have made out like bandits, the U.S. Senate continues to drag its heels on a much needed second round of federal stimulus to help millions of American families struggling during this viral recession.

| Name | March 18 Net Worth | June 17 Real Time Worth | Wealth Growth in 3 Months | % Growth in 3 Months | Primary Income Source |
|-----------------|-----------------------|-------------------------|---------------------------|----------------------|--------------------------------|
| John Tyson | \$1.5 BILLION | \$2.14 BILLION | \$640 MILLION | 42.7% | Tyson Foods Poultry Processing |
| Mark Zuckerberg | \$54.7 BILLION | \$86.8 BILLION | \$31.9 BILLION | 58.6% | Facebook |
| Elon Musk | \$24.6 BILLION | \$41.8 BILLION | \$17.2 BILLION | 70% | Tesla / SpaceX |
| Dany Cathy | \$3.4 BILLION | \$7.1 BILLION | \$3.7 BILLION | 108.8% | Chic-Fil-A |

Sources: All data is from Forbes and [available here](#).

March 18, 2020, data is from the [Forbes World’s Billionaires List: The Richest in 2020](#).

June 17, 2020 data was taken from Forbes real-time estimates of worth that day.

So what have these billionaires been up to during the coronavirus crisis?

After hundreds of workers inside a Tyson Foods poultry plant in Wilkesboro, NC were infected with COVID-19, [ProPublica reported that the company dragged its heels](#) in reporting virus test data to the local Wilkes County Health Department. Meantime, company chairman **John Tyson's** net worth increased \$640M (42.7%) over the last three months.

Mark Zuckerberg's Facebook social media platform has been [a super-spreader of coronavirus disinformation and fake news](#). But Zuckerberg's net worth blossomed by 58% during the pandemic.

Elon Musk [ordered his California Tesla auto plan to thumb its nose at a California stay-at-home order](#). The penalty? Musk's net worth grew by 70% during the pandemic.

And **Dan Cathy**, the Chic-Fil-A founder turned loyal Trump donor, saw his net worth jump almost 109% during the global pandemic.

Meantime, North Carolina families are suffering from the pandemic, making big sacrifices and bracing for substantial cuts to government services:

- [New unemployment claims in NC skyrocketed](#) from 3,533 on March 14th to 172,146 just two weeks later as COVID shut-down orders went into effect.
- [North Carolina's unemployment rate jumped from 4% in March to nearly 13% now](#).
- [Over 54,000 North Carolinians have been infected by COVID-19. Over 1,200 have died](#).
- North Carolina faces a [\\$5 BILLION state revenue shortfall](#) as [75,000 NC residents have been added to the state's Medicaid roles](#).
- North Carolina courts have ruled time and again that the state is chronically underfunding public schools, but [the pandemic has thrown a huge wrench at efforts to boost education funding](#).
- Experts warn [people of color will bear the brunt of budget cuts to public education](#).

Among other COVID-19 victims are the [27 million Americans who may lose their employer-provided healthcare coverage](#). [Low-wage workers](#), [people of color](#) and [women](#) have suffered disproportionately in the combined medical and economic crises because of long-standing racial and gender disparities. Billionaires are overwhelmingly white men.

Over the same three-month period, the nation's 600-plus billionaires saw their combined wealth [increase by \\$584 billion or 20%](#)—rising from \$2.948 trillion to \$3.531 trillion, based on ATF's analysis of Forbes data. Meanwhile, the Federal Reserve reported that as of the week of June 10, [total U.S. household wealth had shrunk by \\$6.5 trillion](#) during the first three months of the pandemic.

The three richest Americans, Jeff Bezos, Bill Gates and Mark Zuckerberg, saw their combined wealth jump by \$87 billion, or 38%, 11% and 58%, respectively. The total number of billionaires

grew from 614 to 643.

“There is something really wrong with our American economy and our government’s response to COVID-19 when billionaires make out like bandits while working families get knee-capped by a global pandemic that was predicted and in many ways preventable if our federal government had prepared and taken the coronavirus seriously early on,” said Pat McCoy, Executive Director of Action NC. **“Our economy, healthcare, and public education systems are teetering on the brink. We need Senators Tillis and Burr to stand up for working families and speak up in support of more federal stimulus.”**

“It’s immoral that billionaires are getting richer and richer while average Americans are treading water if they are lucky, or drowning, from the economic crash caused by the pandemic,” said Frank Clemente, executive director of Americans for Tax Fairness. “Congress needs to urgently provide a major new financial aid package to ensure working families can recover and critical state and local services can keep being provided. The package should repeal the huge tax break for millionaires in the first major financial aid law and block any new tax cuts for corporations and the wealthy.”

“In the biggest public health crisis of our lifetimes, billionaires are getting richer while millions are losing coverage or have no access to affordable health care,” said Margarida Jorge, executive director of Health Care for America Now. Rather than pass the relief measures that we all need to beat COVID, Congress is letting families, workers, seniors and many others go without the health care they need to survive, letting health care workers go without protective equipment and forcing hospitals to face unprecedented shortages in beds, ventilators and medicines. It’s obvious there’s plenty of money—the problem here is Congress’ priorities.”

Decades of [tax cuts for the rich](#) have fueled the growth of billionaires and their wealth. And even in the midst of the greatest national emergency since World War II, tax handouts to the wealthy have continued—most recently in the form of a [\\$135 billion handout](#) slipped into the \$2 trillion CARES pandemic relief law enacted in late March. It primarily benefits millionaire business owners and [costs three times more](#) than the law spends on social safety net programs and exceeds the amount expended on hospitals and public health.

The House HEROES Act passed in May would repeal this tax break that is giving an [average tax cut of \\$1.6 million this year](#) to 43,000 millionaires and billionaires, according to the Joint Committee on Taxation (JCT). That big payout contrasts sharply with the [one-time stimulus checks of up to \\$1,200](#) that have helped 159 million people under the CARES Act. Closing this tax loophole and making it permanent [would raise \\$246 billion](#) per the JCT, which could be used for a new major pandemic financial relief and recovery package.

As the U.S. Senate begins consideration of the next coronavirus aid legislation, a broad coalition of more than 230 organizations, is urging [repeal of the Millionaires Giveaway tax cut for wealthy business owners](#). So far, 24 senators support legislation (S. 3640) to repeal this giveaway but not Senators Thom Tillis and Richard Burr.

Rather than respond to growing needs from increasing numbers of unemployed people, new patients, and overburdened local and state agencies, Senate Majority Leader Mitch McConnell has been [slow-walking legislative action](#) on another major relief measure such as the HEROES Act, especially one that would provide a major cash infusion to state and local governments that have lost huge amounts of tax revenue but must by law balance their budgets. Instead, McConnell has suggested that states file for [bankruptcy](#).

The HEROES Act would greatly benefit North Carolina during this economic crisis by providing immediate relief and laying the groundwork for a more robust economic recovery, including:

- \$4.0 billion out of a total of about \$500 billion in [direct aid to state governments](#) over the next two years for critical services.
- \$1.7 billion out of a total of \$375 billion in [direct aid to local governments](#) over the next two years for critical services. [Go here](#) to see how much is going to communities in your state.
- \$800 million out of a total of [\\$117 billion in increased federal Medicaid funding](#) over the next two years.
- \$500 million out of a total of [\\$90 billion for public schools](#) for grades K-12 and public colleges and universities.

[All of the above data is available in one table here.](#)

State residents will also get their fair share of the [following other assistance](#) provided by the HEROES Act should it become law:

- Extension through the end of the year of the \$600 per week in enhanced unemployment benefits that are expiring at the end of July.
- Renewal and increase in direct assistance checks to individuals and families: \$1,200 per each adult and child, up to \$6,000 per household.
- \$100 billion to protect renters and homeowners from evictions and foreclosures.

Increased support from the federal government directly to states through these provisions is the best way to avoid state cuts to jobs and services that would worsen the impact of the pandemic and prolong the recession the country is experiencing.

[Economists warn](#) that delayed action on more funding to states, unemployment benefits, and safety net services will have dire consequences for recovery, could lengthen and deepen the recession and curtail job growth for the [next decade](#). Moreover, coronavirus cases are back on [the rise in over a dozen states](#) where the re-opening process has increased risk of exposure, furthering jeopardizing the economy. In North Carolina:

- North Carolina set a record with 915 COVID-related hospitalizations on Tuesday, June 23rd. The following day there were 906 COVID hospitalizations.
- On Wednesday, June 24th, NC recorded its second highest number of new daily COVID infections - 1,721.
- Hispanics make up roughly 10% of NC's population, but Hispanics account for 46% of NC's COVID infections.

Senate Majority Leader Mitch McConnell [has cited rising deficits](#) in delaying immediate consideration of new pandemic relief legislation, but so far has not proposed rolling back the \$135 billion Millionaires Giveaway in the CARES Act. Rather, McConnell's key priority for the next relief package has been to provide [legal immunity](#) to employers by limiting workers' rights in court to sue bosses who put their safety at risk or neglect COVID protocols.

Polling shows that [half of Americans](#) have been personally economically impacted by the COVID-19 pandemic -- losing their job or having their hours cut back. Congress must provide help by working with local and state elected officials and agencies to ensure workers, families and small businesses get the resources they need to make it through the pandemic and mitigate the harmful consequences of the economic slow-down.

State residents can't afford excuses from Congressional leaders who prioritize tax giveaways for the rich and corporations over the basic needs of average people or more delays that will double down on prolonged pain for millions.

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