

WORKING FAMILIES PARTY

Nearly One Year Into COVID-19 Pandemic, RI Billionaire's Wealth Continues To Climb

Gains of Private Equity Mogul Jonathan Nelson Could Cover One-Third of State's \$400-\$500 Million Budget Shortfall, Still Leave Him as Rich as He Was Pre-COVID

RHODE ISLAND.— The net worth of private-equity executive Jonathan Nelson, Rhode Island's lone billionaire, jumped by \$180 million, or 10% over the course of the pandemic, according to a new report by Americans for Tax Fairness (ATF), Health Care for America Now (HCAN) and the Rhode Island Working Families Party. The \$180 million in pandemic profits of the state's richest resident could make up over one-third of the state's projected [\\$400 - \\$500 million fiscal year 2022](#) budget gap, and still leave him as wealthy as he was when the pandemic hit 10 months ago.

Between March 18—the rough start date of the pandemic shutdown, when most [federal](#) and [state](#) economic restrictions were put in place—and Jan. 29, Nelson's fortune rose from \$1.8 billion to \$2 billion between March 18 and Jan 29, based on [this analysis of Forbes data](#).¹

Nelson's private gain is a sharp contrast to the severe health and economic crises hitting average Rhode Islanders. Over the same 10 months, close to 113,754 [state residents fell ill](#) with the coronavirus, 2,144 died from it and 290,100 [lost jobs](#) in the accompanying recession. 23,716 Rhode Islanders residents were [collecting unemployment](#) the week of Jan. 4, and late last year, 80,000 adult state residents, or 11%, reported [going hungry](#) over the past week. The figure for households with children was 14%.

While federal lawmakers debate more cash payments to people and families in the next relief package, Nelson has amassed enough new wealth during the pandemic, a \$180 million surge, to send every one of the [state's 1,059,361 residents](#) a relief check of roughly \$170 each. A family of four would get \$680.

RHODE ISLAND BILLIONAIRE WEALTH GROWTH MARCH 18, 2020 TO JANUARY 29, 2021						
Name	Mar. 18, 2020 Net Worth (Millions)	Jan. 29, 2021 Real Time Worth (Millions)	Wealth Growth in 10 Months (Millions)	% Growth in 10 Months	Primary Income Source	Industry
Jonathan Nelson	\$1,800	\$1,980	\$180	10.0%	private equity	Finance & Investments

¹ March 18, 2020, data is from the Forbes World's Billionaires List: The Richest in 2020.

Jan. 29, 2021 data was taken from Forbes real-time estimates of wealth that day. March 18 was also the date that Forbes picked to measure billionaire wealth for the 2020 edition of its annual billionaires report, which provided a baseline that ATF and IPS compare periodically with real-time data from the *Forbes* website. [Politifact has favorably reviewed](#) this methodology.

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

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Nationwide over the same 10-month period, the total wealth of the nation's [661 billionaires leaped by \\$1.2 trillion](#), or 40%—more than the \$900 billion federal pandemic relief package enacted in Congress in December. At \$4.1 trillion, the total wealth of America's 661 billionaires is two-thirds higher than the [\\$2.4 trillion in total wealth](#) held by the bottom half of the population, [165 million Americans](#).

Republicans have [objected to federal aid to states](#) and localities included in President Biden's new \$1.9 trillion COVID relief plan meant to relieve local governments suffering like Rhode Island from big revenue drops that threaten public services. Biden's plan would provide [\\$350 billion in general aid](#) to state and local governments to preserve jobs and critical public services plus \$170 billion to help schools reopen and support public colleges.

As Rhode Island's billionaire rides out the crisis on a rising tide of wealth, the state's working families struggle to keep their heads above water:

- 23,716 state residents were collecting unemployment the week ended Jan. 9 [[U.S. Department of Labor](#)]
- Between March and September 2020, 377 state businesses closed, 222 of them permanently. [[YELP](#)]
- Late last year, 80,000 adult state residents, or 11%, reported going hungry over the past week. The figure for households with children was 14%. [[Center on Budget & Policy Priorities, CBPP](#), Table 1]
- 16% of the state's tenants—42,000—were behind in their rent at the end of 2020. [[CBPP](#), Table 3]

[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.

"If this pandemic has shown us anything, it is that the growing gap between social classes is leaving too many behind," said **Rep. Karen Alzate**, the lead sponsor of a 2020 House bill to raise the top income tax rate from [5.99% to 8.99%](#) on earnings above \$475,000. "The richer get richer and many of the rest of us struggle to buy food, pay rent or afford doctor bills. There is plenty of money in Rhode Island and the country to make sure that all of us recover from this pandemic and the recession it caused. We just need to prioritize the health of our communities over the wealth of the already wealthy."

The campaign to raise taxes for the wealthiest Rhode Islanders has gained support from lawmakers, business owners and economists across the state. Led by a coalition of progressive groups, the campaign is calling on state lawmakers to pass Alzate's bill and its companion bill introduced by Sen. Murray.

"This pandemic will hurt working Rhode Islanders for years to come," said **Georgia Hollister Isman**, state director of the RI Working Families Party. "The WFP will continue to call on our state's leaders to invest in long-term recovery for all Rhode Islanders -- Black, white, and brown, native and newcomer -- by making the wealthy few pay their fair share. We call on the General Assembly to pass a new tax bracket in 2021 and make this a place we're proud to call home, with the world-class schools, affordable healthcare and community services our families need.

We also need our federal government to do their part and make big investments now in our recovery.”

“Billionaires have been reaping bushels of pandemic profits the last 10 months while many working families are reeling, state and local services are suffering and jobs are disappearing,” said **Frank Clemente, executive director of Americans for Tax Fairness**. “Congress needs to come to the immediate rescue to get the country out of this mess. And then it should turn its attention to enacting sweeping reforms that make the wealthy and corporations pay their fair share of taxes so we can create an economy that works for all of us.”

Some billionaires have seen a particularly astonishing increase in wealth:

- **Elon Musk’s** wealth grew by over \$156 billion, from \$24.6 billion on March 18 to \$181 billion on Jan. 29, a more than six-fold increase, boosted by his **Tesla** stock.
- **Jeff Bezos’s** wealth grew from \$113 billion on March 18 to \$188.6 billion, an increase of 67%. Adding in his ex-wife MacKenzie Scott’s wealth of \$57 billion on Jan. 29, the two had a combined wealth of almost a quarter of a trillion dollars thanks to their **Amazon** stock.
- **Mark Zuckerberg’s** wealth grew from \$54.7 billion on March 18 to \$97 billion, an increase of over two-thirds (77%) fueled by his **Facebook** stock.

President Biden’s “build back better” tax and investment plans could address immediate needs created by the pandemic and put the nation on a trajectory toward economic growth that restores the middle class, good jobs, healthcare and equitable opportunity for everyone to prosper. Even [Wall Street analysts](#) praise the plan because of the jobs and growth it would create.

A key component is tax reform that would begin to ensure the wealthy and corporations pay their fair share. [Biden’s tax plan](#) would transform huge billionaire gains into public revenue to help heal a hurting nation by both raising taxes on the wealthy and closing tax loopholes that allow the rich to delay, diminish and even avoid paying the taxes they owe on wealth increases. President Biden and the new Congress could make structural changes to level the playing field so that the rich are taxed more like the rest of us.

A number of approaches will be debated in Congress, including an annual wealth tax on the biggest fortunes, proposed by Senators [Elizabeth Warren](#) and [Bernie Sanders](#). Another option is the annual taxation of investment gains on stocks and other tradable assets, an idea advanced by the [new Senate Finance Committee chair, Ron Wyden](#). Even under the current discounted tax rates for investment income, if Wyden’s plan had been in effect in 2020, billionaire Nelson would be paying tens of millions of dollars in extra taxes this spring thanks to his gargantuan pandemic profits last year, helping to address the pandemic’s impact and keep the economy afloat.

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