

The five types of billionaires

*In the 14 months since April 2020, as the planet reeled from the COVID crisis, the number of world billionaires increased by 660 to 2,755 (24 new ones in the UK alone). **Sandeep Sachdeva** writes that billionaires can and should be doing much more to help solve the humanitarian crisis of hunger and poverty exacerbated by the pandemic. He classifies billionaires by the type of reaction they may have when asked to share more of their wealth.*

At the age of six, my father had to resort to stealing food to feed his siblings. They had just arrived as refugees in the small town of Saharanpur in North India after [the India-Pakistan partition](#). As they journeyed to India with a large caravan of migrants, separated from their parents, they were protected until the border by a gentleman who bartered his personal car in exchange for their lives. They chose Saharanpur, as they knew, and had hoped to receive help from, a few people there. But that did not materialise, resulting in their fight for survival. This, of course, became family folklore—and it always made me wonder why some are so generous and others not as much and what a world rich in generosity of the heart would look like.

It was this thought—reinforced by the inequalities exposed by COVID-19—that prompted me to pen the [‘What else can billionaires do?’](#) blog in April 2020, during the early days of the pandemic. In it, I recommended, perhaps naively, ideas for the billionaires of the day to not only individually and collectively support the immediate COVID-19 relief efforts but also ‘not to let crisis go waste’ and drive transformational change.

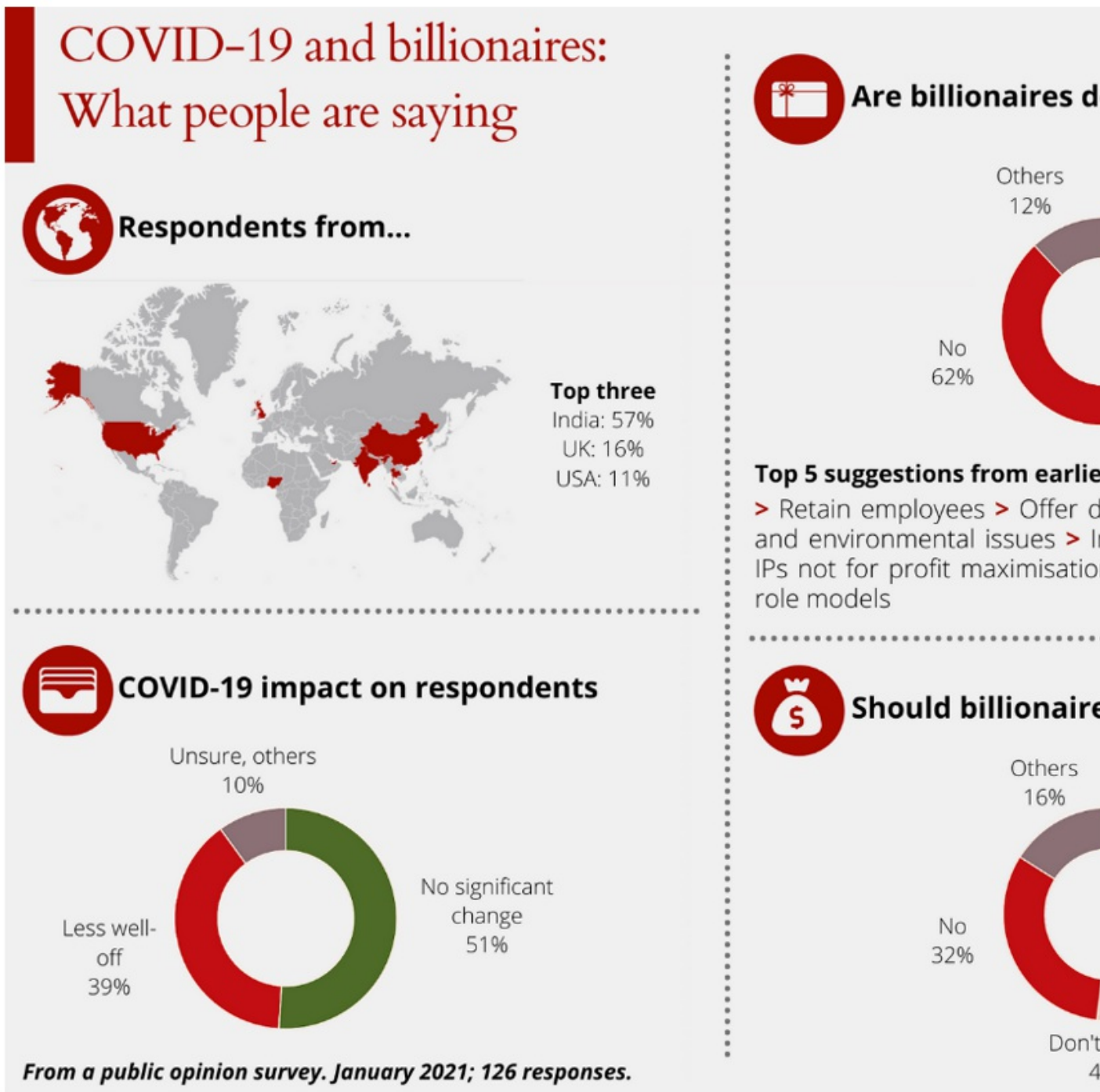
I had optimistically envisioned a world where the extremely wealthy would start leading by example and decide to choose to live their lives differently; make their business and personal decisions in the interest of the world’s people and the environment and not myopically only for the highest return on capital; and also [share much more of their wealth with the people](#) who work for them. Surely forcing a higher tax, necessary though that is, which many will game the system to avoid, can’t be the only way to reduce inequality?

COVID-19’s impact on the billionaires and the poor—one year on:

- The number of billionaires [increased](#) from 2,095 to 2,755.
- Their wealth increased from USD 8 trillion to USD 13 trillion. [In the US](#), the top 0.01% now hold almost 10% of the national wealth compared to the bottom 50%, who hold less than 2%. [In India](#), billionaire wealth is the equivalent of over 17% of the country’s GDP, one of the highest shares in the world. [In the UK](#), the number of billionaires increased by 24 to 171.
- Several billionaires stepped up to help but compared to their resources and the scale of the pandemic, the stories appear insignificant. Their total donations likely do not add to the riches of the wealthiest of them all – Jeff Bezos, with USD 177 billion.
- At the same time, the monthly income for labour workers in India [fell 62%](#), from INR 9,500 per month (USD 125) in pre-pandemic times to INR 3,500 per month (USD 45).
- In a [series of surveys](#) of mostly migrant workers in Gurgaon, India, conducted by our team at the [Safe in India Foundation](#), we found 52% unemployment (May 2020); a 34% reduction in income even among those back into employment; and 82% had to borrow to survive, their top concern being money (June 2020). In May 2021, we called to check on 100+ injured workers we had assisted; 44% of them were back in their remote villages without work.

The five types of billionaires, their soliloquies, and a thought experiment with you:

In preparation for this blog, I shared a survey to gauge public opinion on whether the wealthy have truly done enough. Here is a summary of the results, with the full results accessible at [this link](#).



Although 7% of the respondents to the survey shared that it was no one’s business to judge whether billionaires were doing enough to help, a majority—62%—stated that they *can* and *should* do a lot more. I, of course, agree with the majority.

In fact, I wonder, with as much empathy as I can muster: What do these billionaires think, in the wee hours of the night, of their extreme wealth? How do they justify this absurd imbalance in wealth distribution to their families—especially their young children, who hopefully still have some idealism left in them? Does it need a certain amount of arrogance to justify their disproportionate material success and not share its fruit generously?

When I imagine their soliloquies, I imagine them falling in one or more of the following five categories, not rigorously mutually exclusive and laced with my own biases, but indulge me here:

1. The “James Bond of Philanthropy” billionaire: “I am good, but I realise that I also got very lucky. I really see no reason I should have earned, year after year, hundreds, or thousands of times the annual income of my own staff or say a good doctor, teacher, nurse, soldier, or farmer. I must do something about it by redistributing my wealth NOW. I may not live long enough to see real change happen, and so I am in a hurry.”

[Chuck Feeny](#), a ‘former billionaire’ who has given all his wealth to charity, may be one of them. In just the last few months, [MacKenzie Scott](#) has distributed over USD 4 billion in gifts to 384 organizations. [Jack Dorsey](#) famously created a USD 1 billion relief fund early in the pandemic.

2. The retiree-philanthropist billionaire:

: “I have been chasing profits for so long! My family and I can now afford to give away a few billion and still live comfortably. I will set up a foundation with most of my wealth and when I retire in my old age, I will spend my time at that foundation giving back.”

There are many billionaires who have [pledged their riches](#). Some of them are reminiscent of this category.

3. The self-righteous billionaire: “Look how smart I am! When COVID hit, I knew exactly what to do to make the most of it. I deserve it! No sane sensible fellow has any right or reason to complain about it or tax me more. Don’t forget the number of people I employ. The government and the common folk can’t change the goalposts just because I am so good at what I do.”

4. The God’s-gift billionaire: “God gives us all only what we deserve! I am just an instrument in His hands. I will share some of it when God wants me to. Until then, He wants me to keep it and no ungodly man or man-made institution has the divine duty to increase taxes on my riches.”

5. The not-illegal billionaire: “I am part of a system that was not created by me, and it allows me and in fact encourages me to make billions. I do nothing illegal; my lawyers and accountants are paid to ensure legality and do what is needed (wink wink). It is the government’s responsibility to do whatever is needed for society, not mine. But it is my job to protect my business and my wealth at any cost.”

Which billionaires come to mind when you read these categories? Feel free to critique the rigour of this classification but also do try answering it to yourself or discuss with your friends and family, if not here in the public domain. *If you have two minutes, please take this [single-question survey](#) on the top 10 billionaires* and I will share the findings with you in the next blog. And if you find it a thought-provoking exercise, I also welcome you to share the survey.

There is another category of philanthropists that the global media would be hard-pressed to see: During the first wave of COVID-19 in India, when our teams at the [Safe in India Foundation](#) were distributing essentials, we met many poor people sharing their meagre resources generously. An old lady, Kashmira Devi, had given away half her cash of INR 1,000 (USD 13) to a young boy who needed the money to buy an extortionately priced bus ticket [to get back to his family](#).

Do we, dear readers, know anyone, even among ourselves, who have given half their cash (forget half of wealth) to those that really need it, even at the time of a crisis? Would the world’s billionaires be able to do that, even though they would still be left with several billions? (The lack-of-liquidity argument is [bunkum](#); investment bankers can structure that for a good fee.)

To me, the Sanskrit word for the riches ‘Sampannata’, has been about the bounty in our hearts as much as it has been about material wealth. Its opposite, ‘Daridrata’, has been, to me, not only about material poverty but also of the mind and heart. I vacillate on this spectrum myself. As the world gets materially richer, are we becoming poorer in our hearts and minds? Or is there still hope for us—billionaires or otherwise—to feel Sampann, complete, integral?



Notes:

- *If you are interested, the single-question survey on the top 10 billionaires can be found [here](#).*
- *This blog post expresses the views of its author(s), and do not necessarily represent those of LSE Business Review or the London School of Economics.*
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