

# A Study on How The Rich Got Richer During The Pandemic

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Last year, the world was hit by a raging pandemic - Covid 19 and along with the world, the economies of the world also took a hit. As the cases rose worldwide, the stock markets dipped, unemployment rose, and the markets came to a temporary halt. Due to the Pandemic, millions of people lost their means of livelihood as companies ran into losses and businesses shut down globally. The Pandemic posed a challenge to worldwide work culture and health infrastructure. While the poverty rates increased, the world also witnessed a sharp increase in the wealth of the "Super-rich".

According to some studies, the total worth of the Billionaires in the world rose by USD 11.95 Trillion, i.e., the wealth of billionaires saw an increase of 27% worldwide. Among these Billionaires, the ones who gained the most were the CEO of Tesla, Elon Musk and the CEO of Amazon, Jeff Bezos. The Swiss Bank USB states that while the poor became poorer, the riches of these men skyrocketed more than a quarter during the peak of the pandemic in April-June 2020. When the stock markets had dipped in the initial stages of the pandemic, several businessmen utilized their "risk appetite" to acquire several company stocks. Soon, the recovery of the global stock markets covered the losses that had occurred and the stock prices of several technological companies rose sharply.

The CEO of Tesla, Elon Musk had a net worth of USD 25 Billion at the beginning of the pandemic. His net worth saw an unimaginable boom of 524% and peaked at USD 154 Billion by the 31 December, 2020. Reports suggest that this peak happened because of two major reasons; according to CNBC, Tesla's stocks surged by 650% after it

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reported its fifth consecutive profitable year in 2020. Elon Musk, who owns a roughly estimated 20% of Tesla's share, naturally saw an increase in his total net worth. Space-X, Musk's aerospace company, also had a big year as they launched their first astronauts into space. Morgan Stanley, a New York-based investment bank quoted their estimation of Space-X as their "Bull case" and estimated its value at USD 200 Billion. As per Wealth-X estimations, Musk owns stock worth USD 15 Billion at Space-X.

As the pandemic continued to spread, numerous countries went under several lockdowns throughout 2020. As people stopped going out, e-commerce websites flourished and online shopping witnessed a new boost. Amazon CEO Jeff Bezos, who started 2020 as the wealthiest man in the world, saw a net increase in his wealth by USD 72 billion. At the beginning of 2020, the Amazon capital market was valued at USD 920 billion. After the stock markets bounced back from the Covid market sell-off in March, the same capital market was valued at USD 1.4 Trillion. As per reports by Forbes, the Amazon stock value saw a 60+% increase in its value. Bezos, who owns 11.1% of the stocks of Amazon, witnessed his net worth grow by 65% due to the boost in Amazon's stock in 2020, and holds the position of the world's richest man with an estimated net value of USD 187 Billion.

Others who witnessed an increase in their net worth were Mark Zuckerberg, CEO of Facebook. Although there was an antitrust lawsuit filed against Facebook by the Federal Government, Zuckerberg's net value rose by 50% from USD 55 Billion to USD 102 Billion.

Microsoft CEO Bill Gates started 2020 as the world's second-richest man but was surpassed by Elon Musk in November 2020. At the end of 2020, Bill Gates acquired the third richest man's position with an increase in his net worth from USD 98 Billion to USD 120 Billion over the year.

The pandemic has harmed worldwide markets. However, during this pandemic, what became more glaringly obvious was the wealth disparity between the super-rich and the majority of the public.

While reporting this increasing disparity, The Guardian reported that growing riches of the already super-rich could cause public and political anger. Several governments have received pleas to tax the super-rich heavily to compensate for the unprecedented economic havoc which was caused by the pandemic. The BBC reported that the charity Oxfam reported that the combined rise in the value of the billionaires, which stood at USD 540 Billion in 2020, would be enough to pay for vaccines for the entire world and save it from slipping into poverty. While the super-rich hold the maximum concentration of the world's wealth, they have made donations towards several philanthropic causes.

Although the world economy is projected to recuperate from the Covid crisis, statistical data has predicted only a 2% drop in the GDP of the USA as compared to what it would have been without the impact of this pandemic. While the virus and its mutants still shake up health infrastructures, a recent study by McKinsey Global Survey (carried out in March 2021) showed that 95% of its executive respondents feel that the economy of their respective countries (United States, China, United Kingdom, etc) will witness growth in the next six months. Keeping aside the country's individual economic growth, the pandemic has, at present, produced 9 new billionaires. These billionaires earn not only from the businesses they own or run but also from several passive investments in shares and equities which have witnessed a period of massive boom. The pandemic has aided the growth of these billionaires as well as ensured a secure future for their businesses in the market by providing them with innumerable opportunities to acquire various stocks and invest heavily at cheaper prices.