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Report: "Billionaire Wealth vs. Community Health" Finds Essential Workers Continue to Suffer as US Billionaires Gain Almost $1 Trillion Under Pandemic

A "Delinquent Dozen" Pandemic Profiteers, Including Owners of Walmart, and CEOs of Amazon and Target, Failed Essential Workers and Forced Them to Risk Their Health, While Still Profiting Immensely

WASHINGTON — Essential workers went underpaid, unsupported and forced to risk their health at corporations owned or operated by billionaires, even as the total wealth of America's billionaires rose by more than $1 trillion under the COVID-19 pandemic, according to a new report by the Institute for Policy Studies (IPS), United for Respect, and Bargaining for the Common Good Network. An analysis of billionaire wealth by IPS found that 647 U.S. billionaires gained $960 billion, almost $1 trillion in wealth between March 18, 2020 and November 17, 2020. There are 33 new billionaires since mid-March.

According to the report, during the pandemic, a **"Delinquent Dozen"** companies have vastly increased fortunes for their owners and CEOs but provided inadequate protection for their workers. The report authors portray these companies as emblematic of corporate greed that has grown rampant over the last 40 years. The corporations scrutinized in the report include: Walmart, Amazon, Instacart, Tyson Foods, and Target. The report also studied private equity and investment firms, including Blackrock, Blackstone, KKR, Cerberus Capital, BC Partners and Leonard Green Partners.

Ten of the billionaire owners of seven of these Delinquent Dozen Companies have a combined wealth of $433 billion. Since March 18, 2020, their combined personal wealth has increased $127.5 billion, an increase of 42 percent. These ten billionaires are Jeff Bezos (Amazon), Alice, Rob and Jim Walton (Walmart), Apoorva Mehta (Instacart), John Tyson (Tyson Foods), Steve Schwarzman (Blackstone), Henry Kravis and George Roberts (KKR), and Steve Feinberg (Cerberus).

Kenya Slaughter, an employee of Dollar General, owned in part by BlackRock, said, "I close the register many nights, so I know my store's revenue has practically doubled since the coronavirus hit. But we workers haven't gotten any extra money, even though we're risking our health, and our families' health, to keep the stores running."

“While Amazon’s Jeff Bezos is on track to become the world’s first trillionaire, the frontline workers like me who’ve built his fortune are treated like we’re disposable,” said **Courtenay Brown, an Amazon Fresh warehouse worker in New Jersey and leader with United for Respect**. “As the virus spikes, we get more and more orders, and Amazon expects us to work at inhumane rates. The pace is blistering and people get injured on the job a lot, people get sick, people are scared of catching COVID, and Amazon is not doing enough to protect our lives. It’s time for Amazon’s workers to get some actual compensation for the essential work we’re doing — we don’t need feel-good TV commercials thanking us for being heroes, we need $5 an hour in hazard pay, paid sick leave, and workplace protections from this dangerous virus.”

“Our communities are suffering. We’ve lost jobs, homes, loved ones and nearly 250,000 people in this country. This pandemic has underscored how our inequitable, racist system works,” said **Stephen Lerner, Senior Fellow, Kalmanovitz Initiative for Labor and the Working Poor, Georgetown University, and focused on Bargaining for the Common Good Network**. “Essential workers keep going to work because they don’t have any other choice. The executives of these companies, who are multi-millionaires and billionaires already, enrich themselves and their companies, profiting enormously while their workers suffer and die. It’s time to protect workers and our communities and end a system that lets workers die while the billionaires get richer,” he said.

"I have gone from making a reasonable income to questioning my ability to put food on the table, all while Instacart rolls out more and more public statements to fool consumers,” said **Shenaya Birkel, an Instacart employee**. “While our economy is at risk due to quarantine, Instacart is cashing in more than ever. They had a huge opportunity to prove they care about the essential workers who do what their corporate employees would never do: shop in stores with COVID-19 floating around everywhere. Instead, they refused to offer hazard pay, over-hired, and actually decreased pay. It's time we get treated according to the risk we are facing every day," she said.

“These billionaire owners are like military generals sitting in protected bubbles sending their workers into the viral line of fire with insufficient shields,” said **Chuck Collins from the Institute for Policy Studies and co-author of the report** along with an earlier IPS report, Billionaire Bonanza 2020. “It is sordid and unseemly for some to reap such rewards when millions risk their lives, their long-term health, and their livelihoods.”

Charlene Haley, an employee of Safeway, which is owned by Cerberus Capital, said, “I go to work every day wondering if I am going to become infected, and my co-workers and I will continue to be at risk until a vaccine is widely available. We should receive hazard pay for as long as the hazard exists.”According to the report:

- The wealth of Amazon's Jeff Bezos has increased $70.7 billion since mid-March while an estimated 20,000 workers have been infected.
- John H. Tyson, the billionaire owner of Tyson Foods, has seen his personal wealth increase over $635 million since the beginning of the pandemic as an estimated 11,000 Tyson workers have been infected.
- Three owners of Walmart, Rob, Jim and Alice Walton, have seen their combined personal wealth increase over $48 billion since the beginning of the pandemic, about 30 percent increase. In 2018, Walmart's CEO Doug McMillion made 1,118 times the pay of Walmart's median worker. Yet Walmart refuses to provide hazard pay to its workers.
- Instacart's profits have surged during the pandemic thanks to its essential workers on the frontlines of retail shopping for secluding customers. CEO founder Apoorva Mehta became an instant billionaire in June and is now worth $1.6 billion. He will see his wealth multiply when the company goes public in early 2021. Its current valuation is $30 billion, yet Instacart has over-hired 300,000 new workers and failed to provide sufficient protections.
- Target CEO Brian Cornell is paid 821 times the median worker and his company has enjoyed a protected status as its competition was shut down during the pandemic as nonessential. The company enacted an already promised $2 increase in its starting wage but also cut the pay of its Target-owned Shipt delivery workers. Target could do more to protect its frontline employees.

The report also studied private equity and investment firms Blackrock, Blackstone, KKR, Cerberus Capital, BC Partners and Leonard Green Partners. The report found that the owners of these firms have seen their fortunes surge. The report also points out that private equity has moved into essential services such as health care, grocery provision and pet supply. And the report authors say that the business model of extreme cost cutting and debt loading in order to squeeze profits out of already profitable companies is fundamentally incompatible with the needs of protecting workers and communities during a pandemic. The report found that:

- Leonard Green Partners acquired Prospect Medical Holdings, a major owner of hospitals. Investigations of Prospect Medical have found poor infection control and maintenance at its facilities. Workers at Prospect have been pressing for better infection protections, hazard pay, and safer working conditions. Over the last several years, Leonard Green saddled Prospect Medical with debt while paying dividends to shareholders and drawing scrutiny from Congress.
- Private equity giant Blackstone owns TeamHealth, a company that early in the pandemic demoted a whistleblower doctor who went public about the company's lack of Covid-19 safety precautions and aggressive cost-cutting. Blackstone has saddled TeamHealth with debt and cost-cutting during the pandemic, resulting in

a major downgrade of the company's bond rating. Blackstone founder and CEO Steve Schwartzman has seen his personal wealth increase $4.1 billion since the beginning of the pandemic.

- Cerberus Capital owns a number of companies with frontline essential workers including Albertsons and Safeway supermarkets and the recently sold Steward Health Care. Steve Feinberg, the billionaire cofounder of the private equity firm has seen his personal wealth increase $276 million since the beginning of the pandemic. In June, Cerberus sold its primary stake in Steward Health to its doctors. But prior to the sale, they drew fire early in the pandemic by shutting down intensive care units in rural Massachusetts and failing to provide insufficient PPE equipment. Safeway markets had initial hazard pay that ended in June. Since then, Covid infections have increased 161 percent in Safeway stores.
- The Dollar Stores, including Dollar General and Dollar Tree (owner of Family Dollar), have seen enormous profits during the pandemic. The investment services giant BlackRock has a large ownership stake in both companies. Dollar Tree CEO Gary Philbin is paid 690 times his median paid worker. Dollar General CEO Todd Vasos is paid 824 times their median paid worker. Understaffed stores and skimpy security pose one of many risks to workers during the pandemic, with an increase in assaults and even death when Dollar Store workers were attacked for asking a customer to wear a mask.
- The two biggest pet supply retailers are both owned by private equity firms. PetSmart, owned by the UK-based BC Partners, and PetCo, owned by CVC Capital Partners, benefitted from the designations as essential businesses early in the pandemic, resulting in surging sales. That didn't stop PetSmart from furloughing and then permanently terminating workers across the U.S., causing them to lose health insurance and incomes. BC Capital leveraged PetSmart with debt, bought Chewy, and is now in the process of re-separating the companies to extract additional wealth. CVC Partners just announced it is looking to take PetCo public with a valuation of $6 billion, even with worker reports of serious health and safety issues.

To address pandemic profiteering, the report proposes three sets of recommendations:1) for companies employing essential workers, 2) for lawmakers to protect essential workers, and 3) for lawmakers to reduce the concentration of wealth and power of billionaires and the corporations they own. Key recommendations include:

Corporations employing essential workers should:

- Immediately implement hazard pay of at least $5 per hour

- Provide substantial paid sick leave benefits for workers to stay home when ill, quarantine when exposed, and care for sick loved ones, as well as paid bereavement leave for those who have had family members die from COVID-19
- Provide, regularly replace, and upgrade high quality personal protective equipment (PPE) at no cost to all their essential workers
- Establish workplace health councils to enable workers to actively participate in monitoring workplace conditions

Public policies needed to protect essential workers:

- Establish a Presidential Commission on Essential Workers with on-the-ground, diverse worker representation.
- Pass Essential Workers' Bills of Rights developed in collaboration with workers' organizations at local, state and federal levels.
- Legislate the creation of workplace health councils so workers can monitor and participate in the enforcement of compliance with health and safety regulations and guidance.

Policies needed to target the pandemic profiteering of millionaires, billionaires and exploitative businesses such as private equity firms, include:

- Levy an Emergency Pandemic Wealth Tax on billionaires to raise $450 billion and fund protections for essential workers.
- Establish a Pandemic Profiteering Oversight Committee that goes beyond oversight of stimulus funds.
- Institute conditions on corporations receiving federal pandemic financial support, including the requirement to retain workers, preserve workers rights, and institute policies and procedures to protect workers from exposure to the virus.
- Pass the Stop Wall Street Looting Act (SWSLA) including elimination of the "carried interest" loophole that enables private equity and hedge fund billionaires to pay lower tax rates.

IPS published additional recommendations to reduce extreme wealth and power in its April report, *Billionaire Bonanza 2020: Wealth Windfalls, Tumbling Taxes and Pandemic Profiteers*.

About IPS:
The Institute for Policy Studies is a multi-issue research center that has conducted ground-breaking research on inequality for more than 20 years. The IPS Program on Inequality and the Common Good, and the Inequality.org website, provide research, advocacy and policy development on issues related to economic inequality.

About Bargaining for the Common Good Network:
The Bargaining for the Common Good Network is made up of unions, community groups, racial justice organizations and student organizations that work together as equal partners to win bigger and broader demands at the bargaining table and in the streets. In these campaigns, labor and community groups demand that corporations and the wealthy pay their fair share so that all our communities have what they need to prosper. Unions that have the right to bargain use contract fights as an opportunity to organize with community partners around a set of demands that benefit not just the bargaining unit, but also the wider community as a whole.

About United for Respect:
United for Respect (UFR) is a national non-profit organization. UFR is a multiracial movement of working people throughout the U.S. advancing a vision of an economy where our work is respected and our humanity recognized. UFR is not a labor union and does not intend or seek to represent retail employees over terms and conditions of employment, or to bargain with retail employers.

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