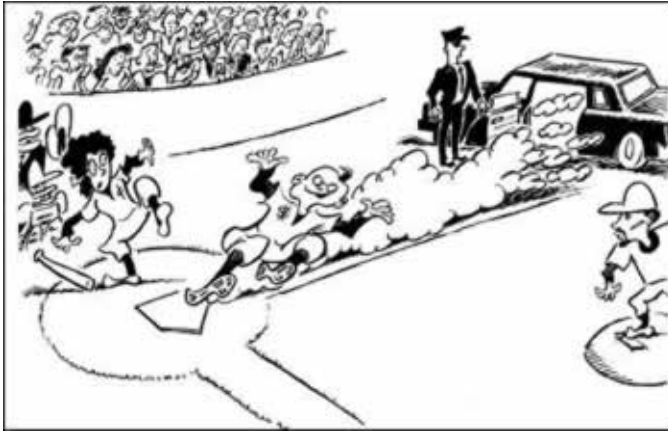




November 13, 2003

ISSUE OF THE WEEK:

Born Rich: The Wealth Concentration in America



Most Americans would like to believe that everyone has the chance to become rich. As American folklore goes, if one works hard and plays by the rules, s/he can move up the socioeconomic ladder. But is that how it really works? Are most of this country's super wealthy, like Sam Walton, the proverbial rags-to-riches story? A careful study of the numbers shows that wealth begets more wealth. In most cases, very wealthy individuals are the products of rich families.

Illustration: Nick Thorkleson, *Born on Third Base: The Sources of Wealth of the 1997 Forbes 400*.

\$\$ THE FACTS \$\$

- \$ In the United States, the top 10 percent of people own 70 percent of the wealth. *
- \$ The top 1 percent of households have more wealth than the entire bottom 95 percent. **
- \$ The net worth of the lowest income group rose 25 percent (from \$10,300 to \$17,900) in 2001, while the net worth of the top 10 percent of household incomes rose 69 percent (from \$169,600 to \$833,600). ***
- \$ In 1989, the United States had 66 billionaires and 31.5 million people living below the poverty line. In 1999, the number of billionaires rose to 268 and the number of those living in poverty rose to 34.5 million. **
- \$ In 2001, African Americans were 13 percent of the U.S. population, but owned only 3 percent of the assets. **
- \$ In 2001, the typical white family had more than six times as much wealth as the typical black family (\$120,900 compared with \$19,000). **
- \$ From 1998 to 2001, the net worth of typical families of color fell 4.5 percent, while that of white families rose 17 percent. **
- \$ In 2001, the CEO – worker pay gap was 411 to 1. **
- \$ If the minimum wage had grown at the same rate as CEO pay since 1990, 571 percent, it would now be \$25.50 an hour, rather than \$5.15 an hour. **

* Bob Thompson, "Sharing the Wealth?" *Washington Post*, April 13, 2003, p. W08.

** [United for a Fair Economy](#)

*** Barbara Hagenbaugh, "Nation's Wealth Disparity Widens But Report Shows 52% of Families Own Stock" *USA Today*, January 23, 2003, p.1A.



Born Rich is a new documentary by first-time filmmaker and heir to the Johnson & Johnson pharmaceutical fortune, Jamie Johnson. The film uncovers the less-public side of America's wealthiest youth through interviews with their most public members. The film is comprised of interviews from Johnson's peers such as Ivanka Trump, daughter of Donald Trump; Josiah Hornblower, heir to the Vanderbilt and Whitney fortunes;



and Georgiana Bloomberg, daughter of New York City Mayor Michael Bloomberg. Above all, the film captures the concept of keeping money, "the number one taboo topic," out of conversation. According to Jamie, "Most wealthy people are told from a very young age not to talk about money."

What does it mean to be "born rich," or "born on third base"?

Every year, *Forbes Magazine* releases a list of the 400 wealthiest people in America, like those in Jamie's film. United for a Fair Economy has done some further research into these 400 chosen Americans ("Born on Third Base: The Source of Wealth of the 1997 *Forbes* 400,"). How many of them inherited wealth or companies and grew them into greater fortunes? And how many of them simply inherited their way into the *Forbes* 400? United for a Fair Economy uses the analogy of the baseball diamond, for it may be true that "baseball and making money are truly America's favorite pastimes."

OF THOSE LISTED ON THE *FORBES* 400,

- ☑ **42 percent were "born on home plate":** These individuals simply inherited enough wealth to make the *Forbes* list.
- ☑ **6 percent were "born on third base":** These individuals inherited in excess of \$50 million and grew this into a *Forbes* 400 fortune.
- ☑ **7 percent were "born on second base":** These individuals inherited a small business worth about \$1 million or received start-up money from a family member.
- ☑ **14 percent were "born on first base":** These individuals inherited or received less than \$1 million from their family, yet retain a wealth or upper-class background.
- ☑ **31 percent were "born in the batter's box":** These individuals do not have a wealthy background and did not inherit any substantial wealth from their family.

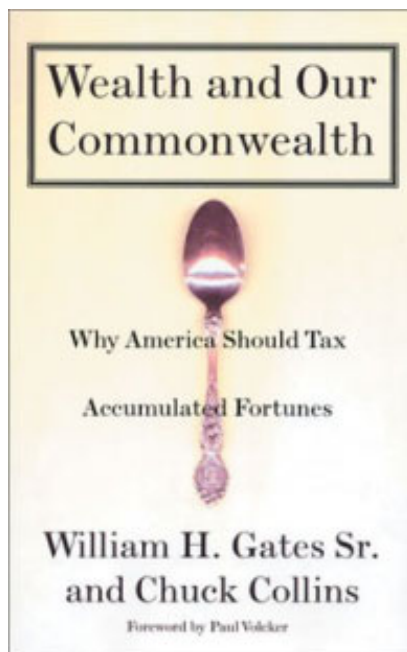
To read more about the *Forbes* 400 list and the "Born on Third Base" study done by United for a Fair Economy, [Click here](#).

Doing Good While Doing Well

Many celebrities have become actively involved with charities and progressive nonprofit organizations, here are just a few examples:

- Actor Alec Baldwin, [The Brennan Center for Justice](#)
- Ben Cohen (of Ben & Jerry's ice cream fame), [Business Leaders for Sensible Priorities](#)
- News anchor Tom Brokaw, [American Indian Scholarship Fund](#)
- Actors Ruby Dee and Ossie Davis, [Hudson Link](#) (college program for prison inmates)
- The Dixie Chicks, [Rock the Vote](#)
- Basketball Star Adonal Foyle [Democracy Matters](#) (campaign finance reform organization)
- Actor Paul Newman, [The Nation Magazine](#)
- Celebrity Chef Marcus Samuelsson, "Taste of the Nation," [Share our Strength](#) (anti-hunger organization)
- Actor Martin Sheen, [American Civil Liberties Union](#)
- Actors Mary Steenburgen and Ted Danson, [The Heifer Project](#) (anti-hunger organization)
- Oprah Winfrey, "Campaign for a New Century," [Morehouse College](#)

THE EXPERT'S TURN



Why does economic inequality matter to the performance of the economy? How can young people work to reduce the wealth gap in America? Do any of the presidential candidates seem to care about economic inequality? [Ask our expert](#), Chuck Collins, your questions about the wealth divide.



Chuck Collins is a cofounder of United for a Fair Economy and Responsible Wealth, a project that brings together business leaders and investors to speak out publicly against economic policies and corporate practices that worsen economic inequality. His most recent

book is [Wealth and our Commonwealth: Why America Should Tax Accumulated Fortunes](#), with Bill Gates.

[Click here to ask Chuck your questions about wealth inequality in America.](#)



NEWS YOU CAN USE

Internships ♦ Fellowships ♦ Jobs ♦ Opportunities ♦ Information

- ▶ The [Bill Emerson National Hunger Fellowship](#) selects twenty individuals from around the country to participate in a yearlong program with urban and rural community-based organizations involved in fighting hunger.
- ▶ The new issue of the [America Prospect](#) features an exclusive interview with former President Bill Clinton, along with numerous articles relevant to the New American Strategies Conference.
- ▶ The Utne Independent Press recently has announced their [Independent Press Awards Nominees](#). The nominations relate to politics, arts, the environment, culture, and many other issues.

[Send Us Your News You Can Use](#)

Events



- **November 15** – [Philadelphia's Young Nonprofit Leaders \(PYNL\)](#) is hosting a career workshop.
- **November 21** – [Business Ventures for Socially Conscious Entrepreneurs](#) is a conference in San Francisco hosted by the Renaissance Entrepreneurship Center.
- **December 4-5** – CUNY (City University of New York) is sponsoring a [conference on Race and Labor](#).

[Send Us Your Event](#)



According to [Harpers Magazine](#):

- The total U.S. military spending the Bush Administration projects it will have spent by the end of 2003 is \$3,200,000,000,000.

According to [Utne Independent Press](#):

- A new group of Muslim entrepreneurs are challenging American cola hegemony in Europe and the Middle East with new brands designed to capitalize on anti-American sentiment after the invasion of Iraq. Mecca Cola, Qibla Cola, Muslim Up, Zam Zam Cola, and Arab Cola are cutting into the Coke and Pepsi empires to the tune of 20 percent in Europe and as much as 40 percent in parts of the Middle East, reports **Black Book** (Fall 2003).

[Send us](#) your suggestions for articles, books, movies, TV shows, and other interesting info.

ELECTION



- ★ [Senator John Kerry](#)
- ★ [Senator John Edwards](#)
- ★ [Senator Joseph Lieberman](#)
- ★ [Governor Howard Dean](#)
- ★ [Congressman Richard](#)
- ★ [Reverend Al Sharpton](#)
- ★ [Congressman Dennis Kucinich](#)
- ★ [Former Senator Carol Moseley Braun](#)
- ★ [General Wesley Clark](#)
- ★ [President George W. Bush](#)

Ruy Teixeira's Public Opinion Watch: [Democrats + Independants vs. Republicans = Trouble for Bush & Youth: Still Progressive after All These Years?](#)

- ★ [WatchBlog](#) is a multiple-editor weblog with information about the three major political affiliations, each with its own blog: the [Democrats](#), the [Republicans](#) and the [Third Party](#) (covering everything outside the two major parties).
- ★ Did you catch the Rock the Vote Democratic Presidential Candidates Forum with Young Voters on November 4 on CNN?
- ★ Read the [CNN report](#)
- ★ Vote for you favorite candidate video on the [RTV website](#).

Join the [LibLog](#) Forum to discuss the American foreign policy options and new strategies for peace and security.

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