

**What Do U.S. Billionaires  
Want from Government?**

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Paper prepared for delivery at the annual meetings of the  
Midwest Political Science Association, Chicago, April 3-6, 2014

There are good reasons to believe that money can be translated into political influence.<sup>1</sup> The U.S. billionaires listed among the “*Forbes* 400”<sup>2</sup> probably can – if and when they choose – wield a great deal of political clout. What, if anything, do they use this influence for? What sort of policies do they want from the government? If their policy preferences differ significantly from those of other citizens, this may have important implications for democracy in the United States.

It is not easy to learn about billionaires’ policy preferences. Personal interviews are hard to come by. Representative surveys are impossible. Patterns of campaign contributions do not necessarily reflect ideological views. In this paper we offer an early progress report on a different approach: an effort to use Web-scraping techniques to paint a picture of what might be called the “Public Political Face” of U.S. billionaires, based on their spoken or written words – words that have – whether accidentally or on purpose – appeared in the public domain.

## **Money and Political Influence**

Recent quantitative evidence tends to confirm what common sense, journalistic accounts, and research by political historians (see, for example, Ferguson 1995; Domhoff 2014; Block 2007; Swenson 2002; Berkowitz and McQuaid 1988; Ferguson and Rogers

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<sup>1</sup> The authors are very grateful to Matthew Lacombe for his excellent research assistance. Matt performed the web searches and contributed a number of important ideas to this project.

<sup>2</sup> A mere \$1.0 billion is no longer sufficient to make the *Forbes* 400 list. In October 2013, when a minimum of \$1.3 billion was required, 61 billionaires fell below the cutoff point. *Forbes* graciously printed their names, in a sort of consolation coda to the real list (*Forbes* 2013, 265, 272-275).

1986; Hacker and Pierson 2010; Freeland 2012) have long maintained: that monetary resources tend to produce political influence. Larry Bartels has found that Senators' roll-call voting on a number of issues tends to respond strongly to the wishes of the top-one-third of income earners among their constituents, but responds little or not at all to the bottom third or even to the middle third of income-earners – including the much-celebrated “median voter” (Bartels 2002, 2008). Martin Gilens, analyzing a comprehensive set of 1,779 federal policy issues over some two decades, similarly found that policy outputs tend to reflect the preferences of the top one-fifth or so of income earners. Controlling for that, the average-income citizen has no discernable influence on policy at all (Gilens 2005, 2012). It is notable that this influence by affluent individuals is statistically *independent* of the also-substantial impact of organized interest groups, especially business-oriented groups and corporations (Gilens and Page 2014).<sup>3</sup>

The high level of estimated political influence by “merely affluent” individuals suggests that the truly wealthy may have still more political clout. Perhaps much more. Indeed, it is possible that these scholarly findings themselves actually reflect – in whole or part – the exercise of influence by some small subset of wealthy individuals among the affluent, who share some of the broader groups' policy preferences. That is, in these studies the preferences of the affluent may serve as proxy measures for the preferences of the truly wealthy. With existing data it is impossible to tell.

Virtually nothing of a systematic sort is known about the political influence of the truly wealthy. Nor, beyond FEC-recorded political contributions and journalistic or historical evidence about particular wealthy individuals, is much known even about the

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<sup>3</sup> The policy preferences of affluent citizens have a rather high ( $r=.78^{***}$ ) positive bivariate correlation with the preferences of the median citizen, but – perhaps surprisingly – no significant relationship at all ( $r=.04$ ) with the net alignments of interest groups involved with each policy issue (Gilens and Page 2014).

political *activity* of the wealthy. One suggestive but far from definitive source of information, the pilot Survey of Economically Successful Americans (SESA) – based on interviews of the top 1% or 2% of wealthy Chicago-area households – found an extraordinarily high level of political activity. For example, half (49%) of the respondents reported that they had recently initiated a contact with at least one member of Congress, sometimes on a first-name basis. (About half of those contacts concerned relatively narrow, self-interested matters.) Most (68%) of the wealthy respondents had recently made a financial contribution to a political cause, and fully one fifth (21%) had “bundled” contributions by others (Page, Bartels, and Seawright 2013, 54-55; Cook, Page, and Moskowitz 2014). But we cannot be sure that these findings hold for the top 1% of wealth-holders nationally. Nor should one overestimate just how wealthy these “truly wealthy” SESA respondents were: their average net worth of about \$10 million was less than *one one-hundredth* the net wealth of the most impoverished member of the *Forbes* 400.

A simple mathematical exercise performed by Jeffrey Winters and Benjamin Page suggests just how much political influence U.S. billionaires *might* exert, if (a big if!) political influence is precisely proportional to wealth. Based on the top-end distribution of wealth as estimated by Kopczuk and Saez (2004),<sup>4</sup> Winters’ and Page’s “wealth-based material power indices” indicate that, as of the year 2000, each individual member of the *Forbes* 400 had *59,619 times* as much political influence as the average member of the

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<sup>4</sup> The “estate-tax method” used by Kopczuk and Saez to draw inferences about the wealth distribution is subject to well-known errors and biases due to violations of the assumption that the declared values of estates taxed at death constitute a random sample of the actual values of estates held at the same time by living people of similar ages. Tax avoidance and differential mortality probably lead this method to underestimate total wealth at the top of the distribution, as is suggested by the fact that the well regarded Survey of Consumer Finances estimated that the top 1% of wealth holders held 34.3% of total wealth, as opposed to the 20.8% estimate by Kopczuk and Saez. See Winters and Page (2009, 736).

bottom 90% (in terms of wealth-holding) of the U.S. population. The *Forbes* 400 taken as a group – though constituting just 1/5,000 of 1% of the population -- was estimated to have 3.7% of all the political influence in the country. If the wealthiest 400 were to ally with the rest of the top 1%, their combined total of 34.3% of all political influence might be enough to outweigh – on many issues – the mere 28.7% of total influence wielded by the entire bottom 90% of the U.S. population (Winters and Page 2009, 736).

Do these calculations bear any relation to reality? Perhaps not. There is no particular reason to believe that political influence rises in a perfectly linear, one-to-one fashion with increasing wealth. On the other hand, it may possibly rise *faster* than that among the very wealthy. As wealth increases, basic needs are presumably left far behind. *A greater and greater proportion* of net worth may be available for investment in politics, so that billionaires may have even more political influence than these calculations suggest. We cannot tell.

In any case – whether or not the particular Winters/ Page estimate comes close to the mark – there is good reason to believe that U.S. billionaires have substantial political clout. What do they want from government? And what difference does it make if they get it?

### **What the Wealthy Want: Previous Evidence**

The existing evidence is suggestive but skimpy. As Soroka and Wlezien (2008) quite correctly point out, outsized influence on policy making by wealthy Americans may not matter much for democracy, if their policy preferences closely resemble those of

everybody else. In that case, policy outputs may be just as representative of the wishes of average citizens as they would be under conditions of perfect political equality.

We know enough, however, to be confident that this is not the case. Gilens' comprehensive survey data on many issues over the course of many years document extensive, systematic differences between the policy preferences of the average citizen and those of the "affluent" top fifth of income-earners.<sup>5</sup> The affluent tend to be substantially more conservative than other citizens on issues of social welfare policy, taxes, economic regulation, and the like, whereas the affluent tend to be more *liberal* on certain social or "moral" issues. That is, the affluent tilt toward *libertarian* views (Gilens 2009). This tendency is not extremely strong – the differences in views are mostly not very big – perhaps because these "affluent" citizens are not very affluent. (They averaged just \$46,000 in household income in 2009.)

A few bits of evidence suggest that such policy-preference differences may be similar in nature but become greater in magnitude as one goes up the income or wealth scale. Page and Hennessy (2010) -- examining old General Social Surveys that used unusually high top-coding thresholds for recording household incomes, and could therefore be combined to identify rather high-income (top 4% or so) respondents – found extensive evidence of social liberalism among these affluents, and some evidence (based on fewer repeated survey items) of economic conservatism.

The SESA pilot study of the top 1% or 2% of Chicago-area wealth-holders documented distinctly conservative policy preferences on a number of issues of social welfare policy, economic regulation, and taxation. In many cases the wealthy

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<sup>5</sup> Gilens (2009, 2012) speaks of preferences "at the 90<sup>th</sup> income percentile." This is the same thing as the median preferences of the top 20% -- the top one fifth -- of income earners.

respondents favored quite different policies from what various national surveys show that average Americans wanted. The wealthy were far more focused on reducing budget deficits and much more receptive to cutting Social Security. They opposed several job- and income-support programs that most Americans favored, including job guarantees, direct job provision, EITC wage subsidies, and unemployment insurance. The wealthy favored lower income and estate tax rates on the wealthy than most Americans did. They were less favorable toward tightening economic regulation of large corporations, oil companies, and Wall Street firms. The investigators found these disjunctions to be potentially troubling for democracy, particularly since Washington policy making often seemed to reflect the preferences of the wealthy (Page, Bartels, and Seawright 2013).

It is not unreasonable to speculate that still wealthier Americans may hold still more conservative views on these policies that may diverge even more sharply from the opinions of average Americans. But we cannot be sure. We have only hints, from the pattern of findings in the studies noted above of the top 33%, top 20%, and top 4% of income earners, and the top 1% or 2% of wealth-holders, that preferences concerning some issues appear to change in a more or less monotonic fashion as income or wealth increases.<sup>6</sup> We have no direct, systematic evidence about the policy preferences of billionaires.

The problem, in a nutshell, is that *Forbes* 400 billionaires inhabit an entirely different plane of existence even from the top 1%ers (who on average have less than 1/100<sup>th</sup> as much in net assets), let alone from ordinary mortals. The top 1% are themselves very difficult and expensive to interview (see Page, Bartels, and Seawright

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<sup>6</sup> More evidence concerning the top 1% or so of wealth holders is on the way. Fiona Chin, using a snowball sampling technique, has already completed nearly 100 interviews with wealthy Americans. See Chin (2014).

2011). Billionaires are nearly impossible to reach. They generally protect their time and privacy with great zeal and effectiveness. They move inside impenetrable bubbles, employing extensive cadres of intermediaries to keep the world at bay. As an NORC interviewer remarked of far less wealthy quarry, “even their gate-keepers have gate-keepers.”

Rarely do billionaires have the time or inclination to talk with scholars, journalists, or survey interviewers. Thus the idea of conducting a policy-preference survey of a representative sample of billionaires is a non-starter. In fact the Survey of Consumer Finances, which explores the economics of wealthy Americans with impeccable legitimacy and relatively high levels of cooperation (it is sponsored by the Federal Reserve Board; Alan Greenspan has been known to personally solicit cooperation from high-net-worth potential respondents) has declared that members of the *Forbes* 400 are excluded from their top-wealth sub-sample, on the grounds that it is simply not feasible to interview them.

If we must abandon hope of conducting a survey, does there exist some other way to assess billionaires’ ideologies or policy views? Adam Bonica has developed an ingenious approach: he has used FEC data on financial contributions to political parties and candidates in order to infer billionaires’ (and others’) ideological views. The idea is that a billionaire who contributes heavily to liberal politicians (mostly Democrats) is probably as liberal as they are, while one who contributes to right-wing politicians (mostly Republicans) is probably conservative. But this assumption may be flawed. The problem is that some campaign contributors may give money for purposes not restricted to advancing their ideological views. For example, some may give money, regardless of



ideology, to legislators from their own district or state, or even to geographically far-flung committee chairs or party leaders, in order to ensure “access” to incumbent officials. If so, contributions from a given billionaire – even a committed ideologue -- may go to members of both parties and/or may span the ideological spectrum of candidates. If all contributions are assumed to be ideological, the resulting estimates of billionaires’ ideological position are likely to be biased toward the center, looking more “moderate” than their actual views (see Bonica, 2013; and McCarty, Poole, and Rosenthal 2013, especially the estimated ideological locations of the 30 richest campaign contributors on p.115).<sup>7</sup> Moreover, this method uses roll call votes by members of Congress as the anchor points for assessing ideological positions. If officials are pushed toward the center in order to be elected, estimated ideologies may be compressed toward the center relative to the distribution of views held by the general public. Most importantly, if (as many believe), *both* parties, including the Democrats, have drifted rightward (relatively to the public) on economic and social welfare issues in recent years, ideological positions estimated in this way may be biased toward the left relative to the views of the general public – making conservative billionaires look more moderate than they actually are.

If surveys are not feasible, and if inferences from campaign contributions may be unreliable, what is left? Our thought is that billionaires may sometimes make explicit statements about policy issues that appear in public media – either intentionally by way of interviews, op-eds, letters-to-the-editor, and the like, or by accident, leaked from supposedly private speeches or conversations. Perhaps a sufficient number of publicly

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<sup>7</sup> Bonica and his coauthors argue, however, that contributions to both parties by the wealthy (like other contributors), are uncommon: “The vast majority have given at least 90 percent of their contributions dollars to one or the other party.” (Bonica, McCarty, Poole, and Rosenthal (2013, 116).

reported comments and statements can be ferreted out through “Web-scraping” techniques so that we can use billionaires’ own words to paint a portrait of the “Public Political Face” of the wealthiest Americans. In this paper we report on our early efforts to pursue this approach.

### **Research Questions and Hypotheses**

We do not assume that all billionaires make public statements about policy, or that statements by those who make them necessarily reveal their “true” policy preferences. Some may engage in misleading, deceptive, or vague rhetoric. Some may be altogether silent about politics. All we assume is that what they say or do not say – that is, their Public Political Faces – have some political importance and are worth investigating.

There can be many reasons for a billionaire to take a public stand or to preserve a careful silence. Some of our research questions, therefore, concern whether or not billionaires talk about politics at all, and why they do or do not do so. Other research questions deal with exactly what sorts of policy stands billionaires take, how those stands relate to the public’s policy preferences, and what the implications are for democratic politics.

**Silence and Stealth politics.** Anecdotes about the extreme reclusiveness of certain U.S. billionaires are common. The Mars candy family, for example, is famous for avoiding interviews or statements on any subject whatsoever. Most other billionaires do not totally eschew interviews and public statements but are extremely cautious about making *political* statements. After we have done our best to unearth all publicly reported

utterances about policy, therefore, our first concern is with the frequency of stand-taking and silence. How common is total silence about policy? How often do billionaires make detailed policy statements? Do silence and position-taking vary by type of issue, or by type of billionaire? For example, are there differences by industrial sector, by geographical location, or by old vs. new wealth? How about exposure to consumers, who might boycott goods if the producers' views seem outrageous? Do moderates tend to speak out, while those with extreme views conceal their stands? (How can we tell?)

Based on general impressions, we expect that many U.S. billionaires are in fact rather silent about the specifics of public policy. Stand-taking has the potential to irritate stockholders, employees, consumers, and others – not excluding incumbent politicians who belong to the other party, but with whom it may be useful for a billionaire to maintain friendly relations. Ambiguity or silence about issues may be as helpful for billionaires as it is to politicians campaigning for election (see Page 1976). And it may be most useful for those directly exposed to consumer pressure, or for those whose views are such that they might alienate large segments of the population.

When billionaires are vague or silent about policy, do they sometimes pursue a “stealth politics” of quiet money-giving for ideological purposes, perhaps even striving for total secrecy? (Recent Supreme Court decisions have facilitated undisclosed political contributions.) If so, where does that money go? To what sorts of ideological causes?

**Do billionaires tilt Left or Right? On what issues?** As we begin to accumulate information about the public stands that billionaires have taken on various issues, we hope that an ideological portrait will begin to emerge. How far to the Left or the Right is the center of gravity among billionaires? Do individual billionaires' stands vary by

industrial sector (does finance differ from manufacturing?) By governmental connectedness (do providers of transportation infrastructure or military hardware differ from those involved in consumer goods and services?) By “new” vs. “old” money (perhaps noblesse oblige among the old, but private market fundamentalism among the new?)

If we can assess the ideological tendencies of billionaires as a group, how close to – or distant from – the general public are they? Does this vary by particular issues? Taxes and spending? Redistributive policies? Public goods like transportation infrastructure, education, research and development? How “democratic” or “non-democratic” (in various senses) would the results be, if billionaires succeeded in using their political clout to get the policies they want?

### **Web-scraping for the Public Political Faces of billionaires**

For a first cut into these research questions, we decided to focus on two important sets of issues that affect a very large portion of the federal government’s budget: Taxation and Social Security. Within each of these general areas we are investigating several specific policy topics. On tax policy: capital gains rates, corporate tax rates, the estate tax, the Earned Income Tax Credit, carbon taxes, the so-called “Buffett Rule,” flat tax proposals, a financial transaction tax, and, more generally, tax revenue expansion and wealth redistribution. On Social Security policy: payroll tax rates, the payroll tax income cap, Social Security privatization, means testing, the retirement age, and, more generally, Social Security reform and benefit reductions. Questions about most of these topics were asked on the SESA pilot survey and have also been included in national polls of the

general public, so that the billionaires' positions that we uncover can eventually be compared with the views of the top 1% or so of wealth holders and also with the opinions of average citizens.

This research technique necessarily proceeds one billionaire at a time, and (especially at the beginning) it proceeds very slowly. Rather than randomly selecting individuals from the *Forbes* list we decided to begin with the wealthiest Americans of all, who presumably tend to be the most powerful: those at the top of the list. We started at the very top and are working our way systematically downward on the list, having so far covered 23 of the 400 (see the left-hand side of the table in Appendix II for the names and net worth of these 23 individuals.) Our progress so far falls well short of covering the entire *Forbes* 400 list, but it seems sufficient for us to begin to assess the feasibility of this research technique and to report some preliminary results.

For each billionaire, then, we carry out a systematic, Internet-based search for all statements that can be found concerning our sets of specific Tax and Social Security policy issues.

**Search terms.** A crucial aspect of this research involves the careful development of a refined set of policy-related search terms: terms that will capture all statements relevant to our policy issues, but not produce such an overwhelming number of irrelevant hits that the wheat gets lost in chaff. In theoretical terms, the objective is adequately to map the semantic field (Sartori 2009) associated with each policy domain: that is the family of terms actually used by billionaires and others to refer to that domain as a whole or to specific parts of it. The semantic field includes language employed by social scientists, but also the sometimes quite different terminology employed by diverse

supporters or opponents of various alternatives in a given policy domain. It is helpful to imagine the semantic field as a network, in which a concept in a domain is linked with another term in that domain if they are often used together. For example, the terms “estate tax” and “death tax” should be linked, because they are both likely to occur in a number of written or spoken texts concerning taxes that are applied to the property of wealthy individuals at the time of their death. However, terms that relate to the same policy domain but have quite different ideological baggage may not be directly connected; they may instead have one or more steps of separation. For example, not many texts are likely to refer to Social Security using both the language of the “social safety net” and references to “generational theft.” Thus, these terms would lack a direct link in the conceptual network. Nonetheless, they would be indirectly linked at one step of separation because both co-occur regularly (but not always) with the phrase “Social Security,”

Our search procedure starts with the most obvious and visible term for each policy domain (e.g., “taxes,” “Social Security,”<sup>8</sup> “crime,” “immigration”). Using that term as a keyword, we carry out Google News/ General Web and LexisNexis searches not restricted to the words of billionaires or any other particular individuals. We read the top several hits on each search and note the alternative terms that are used in U.S. public discourse (as exemplified by those texts) to refer to the relevant policy domain. We then repeat the process iteratively, using each prominent search term that was uncovered in the previous search. Because we follow each term connected with the initial term for at least

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<sup>8</sup> Because Google searches are not case sensitive, proper nouns like Social Security and Earned Income Tax Credit are typically not capitalized in our searches. Proper nouns are capitalized in LexisNexis searches and when quotation marks are used in Google searches.

five search steps, rather than predetermining a target number of terms to characterize each domain, the process is more similar to a series of random walks than to a traditional snowball sample. As a result, it is reasonable to expect that the sample will replicate the topological properties of the original network – and, of greater substantive interest for this project, will capture the most-connected nodes (Yoon, Lee, Yook, and Kim 2007). Hence, there is good reason to believe that our process captures a considerable proportion of the actually existing political terminology connected with each policy domain.

Some results of this iterative procedure were predictable. For example, in addition to searching for statements made about the “estate tax,” we have also been led to search for statements on the “death tax.” In addition to searches related to support or opposition to “tax increases,” we also search for positions on “revenue enhancement.” We ultimately settled on 25 keywords related to taxation, and 10 keywords related to Social Security (see Appendix I.)

After developing this comprehensive list of keywords, we turned to the Web to begin searching.<sup>9</sup> We used two main resources: Google News/ General Web search and LexisNexis Academic search. Google and LexisNexis provide complementary resources. Google produces a very large number of potentially relevant webpages and, helpfully, includes links to videos of interviews with our subjects. Google’s search results,

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<sup>9</sup> Quotation marks, which instruct search engines to look for *exact* matches to the words or phrases included within them, were generally not used. In most cases, experimental searches that included quotation marks produced very similar results to those that did not. But the use of quotation marks sometimes leads to the exclusion of relevant texts. For example, a search for “comprehensive tax reform” would fail to locate texts using the phrase “comprehensive corporate tax reform.” Quotation marks were occasionally used, however, when the initial results from a particular search were unusually noisy. For example, quotation marks were placed around “tax revenue expansion,” after initial searches without quotation marks mostly returned results pertaining to the expansion of business revenue.

however, are often noisy and include numerous websites of dubious authority.<sup>10</sup>

LexisNexis produces a smaller number of results and does not include video links, but it draws exclusively from mainstream journalistic and academic sources.

**Words and actions.** Once we began conducting Web searches, we quickly realized that some of the *Forbes* billionaires who are widely believed to be very politically active are nonetheless rather tight-lipped when it comes to discussing politics. The Koch brothers (David and Charles) are a prominent example of this: they combine public silence about policy with large financial contributions to political causes, a combination that might be labeled “stealth politics.” (This topic is discussed in greater detail in the next section.)

In order to explore the possibility of “stealth politics,” we expanded the scope of our search to also include *highly specific, issue-oriented* actions and financial contributions to *issue-specific* organizations. The Center for Responsive Politics, which runs the OpenSecrets.org website, is a very helpful resource on these matters. Our process now includes a search for each of the *Forbes* billionaires in Open Secrets’ online database of reported contributions to candidates and PACs. Though some existing PACs are candidate- rather than policy-specific, many are narrowly focused on a small set of specific issues. Donations to these sorts of PACs are included in our raw data on stands taken. We also take note of board and advisory positions at policy-specific organizations. For the reasons noted above we do not include contributions to candidates, parties, or candidate-specific PACs, because we cannot confidently use them to identify policy

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<sup>10</sup> For example, the third result produced by a search for “Charles Koch on ‘capital gains tax’” is a link to a website named “crooksandliars.com.”



positions. But the empirical relationships between policy stands and candidate contributions will be a subject of future inquiry.

Our pursuit of policy-oriented *actions* as well as words is complicated by the exemption of various types of 501(c) organizations from the mandatory reporting of financial contributions to which explicitly political organizations are ordinarily subjected. As a result, our search must rely to some extent on investigative efforts by newspapers and organizations dedicated to open government to uncover “dark money” contributions. Again, the Center for Responsive Politics, particularly in its collaboration with the *Washington Post*, has proved to be a helpful resource. Our search inevitably misses many dark money contributions that are funneled through certain types of 501(c) organizations – no surprise, since dark money contributions are often intentionally hidden – but by this procedure we have nonetheless been able to identify some policy-specific actions that imply specific policy positions.

Although our Web-scraping follows a defined process and is as methodical as possible, it inevitably requires some exercises of judgment. Sometimes journalists’ accounts of speeches and interviews allude to policy positions without including direct quotations. In such cases we must search for transcripts or videos, or settle for quotes reported by other journalists. Other times, search results link to discussions of interviews and speeches on blogs or news aggregation sites. These sites typically draw from accounts by traditional journalists, which we must track down before we can search for transcripts or videos. This search process can be arduous.

Since we are interested in silence as well as voices, we are careful to use numerous different keywords related to the same policy topics to search several outlets,

even when we have reason to believe that a particular billionaire has *not* taken public political positions. The payoff for scrupulously careful searching is that, when we fail to find political statements, we can be reasonably confident that no such statements have been made.

### **Preliminary Findings**

Our findings are very preliminary. At this point, our web searches have covered only a small fraction of the *Forbes* 400. It is too early to draw meaningful distinctions between the aggregate views of the *Forbes* billionaires and those of the general public, or to delineate precisely which types of billionaires say what about particular issues. But certain noteworthy patterns appear to be emerging.

**Widespread silence about political issues.** Political silence is quite common among those who occupy the top ranks of the *Forbes* list. Among the 23 very wealthiest Americans, in fact, only three – Bill Gates, Warren Buffett, and Michael Bloomberg – have taken specific, public positions on a majority of the policy topics included in our analysis. Another five – the Koch brothers, Sheldon Adelson, Carl Icahn, and George Soros – have made vague (though sometimes noteworthy) political statements.<sup>11</sup> See Appendix II for a complete list of billionaires searched so far, in a table indicating whether each has been specific, vague, or silent regarding taxation and Social Security.

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<sup>11</sup> The coding criteria for specificity, vagueness, and silence are described at the bottom of Appendix II. Coding decisions were clear in most cases, with George Soros an exception. Soros has taken a few specific positions on tax policy but his “behind the scenes” political involvement seems to be much more extensive than his public involvement. He has been one of the biggest political spenders in America but does not publicly champion causes. We therefore coded his responses as vague due to the depth and breadth of his “stealth” involvement relative to his public involvement. Note that our operational definition of vagueness includes both ambiguity and partial silence. The two generally go together.

**Avoiding offense to consumers** A notable feature of the eight billionaires analyzed thus far who have made either specific or vague political statements is that their financial success is largely disconnected from consumers who might object to their stands. These are mostly people whose financial well-being will not be threatened if large segments of Americans view them negatively. The wealth of Buffett, Icahn, Soros, and the Koch brothers, for example, is largely comprised of diversified financial investments. These billionaires are not publicly identified with consumer products. Adelson, a prominent casino owner, currently makes more money overseas than in Las Vegas. Bill Gates constitutes the only apparent exception to this tendency. His wealth is derived from a company with such massive market share that he may not have much reason to worry that public feelings about him will impact Microsoft's bottom line, particularly now that he is less involved in the company's day-to-day operations.

Those billionaires who have remained silent, on the other hand, *do* mostly serve as the public faces of consumer-oriented businesses. This group includes the four Walton heirs, Jeff Bezos of Amazon, Sergey Brin and Larry Page of Google, the three heirs to the Mars candy fortune, and Mark Zuckerberg of Facebook. These members of the *Forbes* 400 could have reason to believe that negative public sentiments about them could impact their companies' bottom lines. Such a belief might encourage silence about politics.

**Silent heirs.** The recipients of inherited wealth included in this last group – the Waltons and Marses – differ from the others in that they rarely speak publicly on any topic, political or other. Alice is the most public of the Waltons, but her interviews focus almost entirely on the art museum she established in Arkansas. The Marses are even more private – so private, in fact, that *Forbes* apparently does not possess a photo of John

Mars, who is tied with his siblings for 15<sup>th</sup> on the list. Similarly, Abigail Johnson, the current president of Fidelity Investments and the granddaughter of its founder, rarely grants an interview. The non-heirs who are silent about politics, including Page, Brin, and Bezos, all have significant -- though apolitical -- public personas.

**Quiet extremists.** We have also found tentative indications that those whose views are highly ideological – perhaps extremist – may be more likely to engage in “stealth politics” than those whose views are more moderate or pragmatic. The Koch brothers, Sheldon Adelson, and possibly George Soros are prominent examples. The Center for Responsive Politics and the *Washington Post* have uncovered massive political spending by the Kochs, Adelson, and Soros, but all four of these men generally make only vague political statements (Gold 2014; *Washington Post* 2014; Center for Responsive Politics 2014; MacColl 2010). The Kochs are fond of the phrase “economic freedom,” and Adelson is prone to dropping alarming but vague bombshells, like this one from a *Forbes* interview:

What scares me is the continuation of the socialist-style economy we’ve been experiencing for almost four years. That scares me because the redistribution of wealth is the path to more socialism, and to more of the government controlling people’s lives. What scares me is the lack of accountability that people would prefer to experience, just let the government take care of everything and I’ll go fish or I won’t work, etc. (Bertoni 2012)

Similarly, Soros does not take many specific public positions despite his intense political spending (mostly for Democrats), and the public statements he has made have sometimes sounded quite heated, if not ideologically extreme – like this one leading up to the 2004 election:

This is the most important election of my lifetime. These aren’t normal times. The ends justify every legal means possible...I find it really difficult to conceive of a

Bush victory...It would be so detrimental to the world, to the U.S., and to me personally. (Mayer 2004)<sup>12</sup>

It is interesting to contrast comments like Adelson's and Soros' with a typical, highly specific statement made by Warren Buffett, who has taken a number of positions that could be characterized as moderately liberal or center-left:

I would leave rates for 99.7 percent of taxpayers unchanged and continue the current 2-percentage-point reduction in the employee contribution to the payroll tax. This cut helps the poor and the middle class, who need every break they can get. (Buffett 2011)

Among those who take highly specific public positions, Buffett is not alone in sounding moderate or even liberal. Bill Gates, a champion of the "giving pledge" (in which billionaires promise to donate at least half their wealth to charity), sounds similar:

A bigger estate tax is a good way to collect money when the government is going to have raise more taxes...Very rich estates that have benefitted from the rules and stability of this country, if you had a choice to be born here or be born somewhere else knowing that you had to pay an estate tax you would still pick the benefits that our system provides. Warren [Buffett] and I are great examples of what the system can do for us. (Fox Business Channel 2011)

Similarly, Michael Bloomberg<sup>13</sup>, a moderate Republican, frequently takes highly specific positions – though his are sometimes worded more colorfully than those of Buffett or Gates:

In addition, demand for revenue will necessitate bringing back the estate tax—because it makes too much sense. It will both raise revenue and encourage more wealthy Americans to donate to charity. Government should incentivize the maxim I plan to follow: "The ultimate in financial planning is to bounce the check to the undertaker. (Bloomberg 2008)

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<sup>12</sup> Soros' strong objections to George W. Bush appear mostly to have concerned foreign policy, based on a perception that the U.S. invasion of Iraq and other actions were alienating countries around the world – rather than domestic liberal/ conservative issues. Bonica, McCarty, Poole, and Rosenthal (2013, 115), estimate Soros to be more liberal than Bill Clinton and very nearly as liberal as Barack Obama. In our judgment this is highly questionable.

<sup>13</sup> It is perhaps unsurprising that Michael Bloomberg, the former mayor of New York, has taken specific policy positions. It is worth noting, however, that many of his positions have concerned issues unrelated to city government. These were clearly not required by his role as mayor.

Bloomberg has spoken specifically about issues beyond just the estate tax. His position on capital gains taxes is both specific and conservative. Here, he discusses the controversy around Warren Buffett's comment that his secretary was paying a higher tax rate than her boss:

The problem we have is that when we give you a tax incentive, then people say oh, they're getting too good a deal on their taxes. And, you know, it's like this craziness with Buffett and his secretary. We have - we tax capital gains at a lower rate to encourage people to invest. The good news is that's exactly what Buffett's doing, what [*sic* in the transcript, perhaps an error for "that"] the economic incentives are there (NPR 2012).

In sum, we see preliminary indications that billionaires with more extreme views – that is, billionaires whose opinions are relatively distant from those of the average American – may be less likely to speak publicly and specifically about politics than their more moderate counterparts on the *Forbes* list.

**Close to home: the special case of the estate tax.** On most issues related to Taxation and Social Security, we do not yet have enough information to locate the center of gravity of billionaires' positions in order to compare them with the views of the general public. Nor can we be confident about whether there are systematic differences in the political positions of different types of billionaires. The estate tax, however, seems to be a hot-button topic among the wealthiest Americans, perhaps because it is directly and personally relevant to them. The estate tax has spurred more position-taking than any other issue we have examined. Fourteen of the 23 billionaires studied thus far have either publicly stated their position on the estate tax or made contributions to organizations with a narrow focus on it. Among those 14, only four favor a substantial estate tax, with the other 10 supporting efforts to repeal it.

Interestingly, of the 10 who have opposed the estate tax with either their wallets or their mouths, only one of them – Sheldon Adelson – has done so in public speech. On the other side, all four of those who support a substantial estate tax have said so. Methodologically, this suggests that an exclusive reliance on words can produce an misleading impression of billionaires' positions (judging by public statements alone, one might conclude that U.S. billionaires favor the estate tax!) Substantively, it appears to illustrate a point we have made about “stealth politics”: those who hold an unpopular<sup>14</sup> (and in this case, selfish-looking) position may tend to be quiet about it, even if they actively contribute money to the cause.

## **Conclusion**

We have barely begun this research. The statements of the 23 wealthiest U.S. billionaires cannot be taken as representative of the top 400, even if their combined net worth of \$689 billion dwarfs the entire GDP of many of the world's countries. We need to study more billionaires. And after we have dealt thoroughly with their positions on Taxes and Social Security, we need to move on to additional policy issues beyond Taxes and Social Security.

Still, our preliminary findings seem intriguing. Political silence by billionaires appears to be quite common – especially for heirs to old money, billionaires made wealthy by consumer-oriented businesses, and those who hold relatively extreme ideological views. Yet public silence is rather often combined with a high level of

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<sup>14</sup> Poll data on the general public's views of the estate tax should be interpreted with caution. Survey questions that inquire about “repeal” of the estate tax tend to elicit replies favoring repeal, but queries about the preferred *rate* of the tax average well higher than 0%. See Bartels (2008, ch. 7), Page and Jacobs (2009, ch.4).

financial contributions to issue-specific political causes. We have referred to this combination as constituting “stealth politics.”

Stealth politics is a phenomenon that would seem to deserve close investigation, since it could have important implications for democracy. If election outcomes (and perhaps indirectly, public discourse and citizens’ opinions) are significantly influenced by big money from silent spenders who hold views quite unlike those of the average American, democracy may suffer.

Our most important conclusion is that this application of web-scraping methodology, while by no means simple to employ, is well worth pursuing. We plan to continue to pursue it.



<b>Appendix I. Search Words and Phrases Used for Taxation and Social Security Searches</b>	
<b>Taxation</b>	<b>Social Security</b>
tax policy	Social Security payroll tax
double taxation	Social Security payroll tax income cap
grand bargain	Social Security retirement pension
comprehensive tax reform	Social Security privatization
estate tax	Social Security stock market investment
death tax	Social Security benefit reductions
corporate tax rates	Social Security retirement age
business taxes	Social Security third rail
tax credits/ charitable deduction	Social Security means testing
tax extenders	
tax enforcement	
tax burden	
tax revenue expansion	
tax revenue enhancement	
Laffer Curve	
Earned Income Tax Credit	
EITC	
payroll tax	
payroll tax income cap	
redistribution	
Robin Hood tax	
financial transaction tax	
carbon tax	
Buffett Rule	
flat tax	
<p><b>Notes:</b> Quotation marks are placed around search terms and/or subjects' names when initial searches produce an usually large number of irrelevant results. Because they sometimes exclude relevant results, they are not used in most cases.</p>	

Appendix II. Position-taking among Billionaires Searched as of 4/1/14							
	Net Worth (as of 9/2013)	Taxation			Social Security		
		Specific	Vague	Silent	Specific	Vague	Silent
Bill Gates	\$72B	✓					✓
Warren Buffett	\$58.5B	✓			✓		
Larry Ellison	\$41B			✓			✓
Charles Koch	\$36B		✓			✓	
David Koch	\$36B		✓			✓	
Christy Walton	\$35.4B			✓			✓
Jim Walton	\$33.8B			✓			✓
Alice Walton	\$33.5B			✓			✓
S. Robson Walton	\$33.3B			✓			✓
Michael Bloomberg	\$31B	✓			✓		
Sheldon Adelson	\$28.5B		✓			✓	
Jeff Bezos	\$27.2B			✓			✓
Larry Page	\$24.9B			✓			✓
Sergey Brin	\$24.4B			✓			✓
Forrest Mars, Jr.	\$20.5B			✓			✓
Jacqueline Mars	\$20.5B			✓			✓
John Mars	\$20.5B			✓			✓
Carl Ichan	\$20.3B		✓			✓	
George Soros	\$20B		✓			✓	
Mark Zuckerberg	\$19B			✓			✓
Steve Ballmer	\$18B			✓			✓
Leonard Blavatnik	\$17.8B			✓			✓
Abigail Johnson	\$17.2B			✓			✓

**Coding:** Position-taking is considered *specific* when a subject has taken a public stance on a majority of the policy topics pertaining to an issue set (taxation or Social Security) included in our study. Position-taking is considered *vague* when a subject has spoken publicly about one or both of the issue sets included in our study but has not taken a clear position on a majority of policy topics pertaining to one or both of them. Subjects who have not spoken about one or both issue sets are coded as *silent*.

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