

APPLES TO APPLES.

Is it fair to compare the tax on working wages with the tax on billionaire wealth?

WEEKLY PAY SLIP	
EARNINGS:	
HOURLY WAGE	\$200.00
HOURS:	40
GROSS PAY	\$650.00
DEDUCTIONS:	
INCOME TAX,	\$50.00
SOCIAL SEC.	\$0.00
NET PAY:	<u>\$650.00</u>

BILLIONAIRE WEALTH
PORTFOLIO VALUE



The 3.4% Reality

3.4%

3.4% — The true tax rate paid by the 25 richest Americans on their wealth growth (2014-2018). Or globally, billionaires effectively pay <1%.

35.1%

Up to

50%

35.1% — The average income tax rate paid by a European worker.

The social contract assumes everyone pays a fair share. But while the average worker surrenders over a third of their paycheck, the ultra-wealthy operate in an entirely different mathematical reality.

"But you can't compare them!"

The Establishment
Defense.



"Wages are liquid income! Wealth is just unrealised paper gains! It's apples and oranges! Comparing them is economically illiterate!"

When confronted with the 3.4% figure, the financial establishment always uses the same defence. They claim that comparing wage tax to wealth tax is a fundamental misunderstanding of how capital works.

Money is money.

[Wealth Growth] = [Wage Savings]

Comparing the tax working people pay on their wages with the tax the very wealthy pay on their gains is a perfectly valid, like-for-like comparison.

Why? Because both measure exactly the same thing: How much richer a person got, and how much tax they paid on it.

Two paths, one outcome.

Whether you sweated for it on a shift or slept while your stocks rose, your net worth increased by the exact same amount. Only one of you was heavily taxed for it.

The Worker	The Billionaire
Action: Trades time & labor for a salary.	Action: Holds an asset portfolio.
Result: Bank account goes up by £10,000.	Result: Portfolio value goes up by £10,000.
Tax Paid: 35% - 50%	Tax Paid: < 1%

Buy, Borrow, Die.

By divorcing spending power from taxable income, billionaires live in absolute luxury while legally appearing poor to tax authorities. They accumulate dividends and paper wealth trigger a taxable sale.

3. DIE:

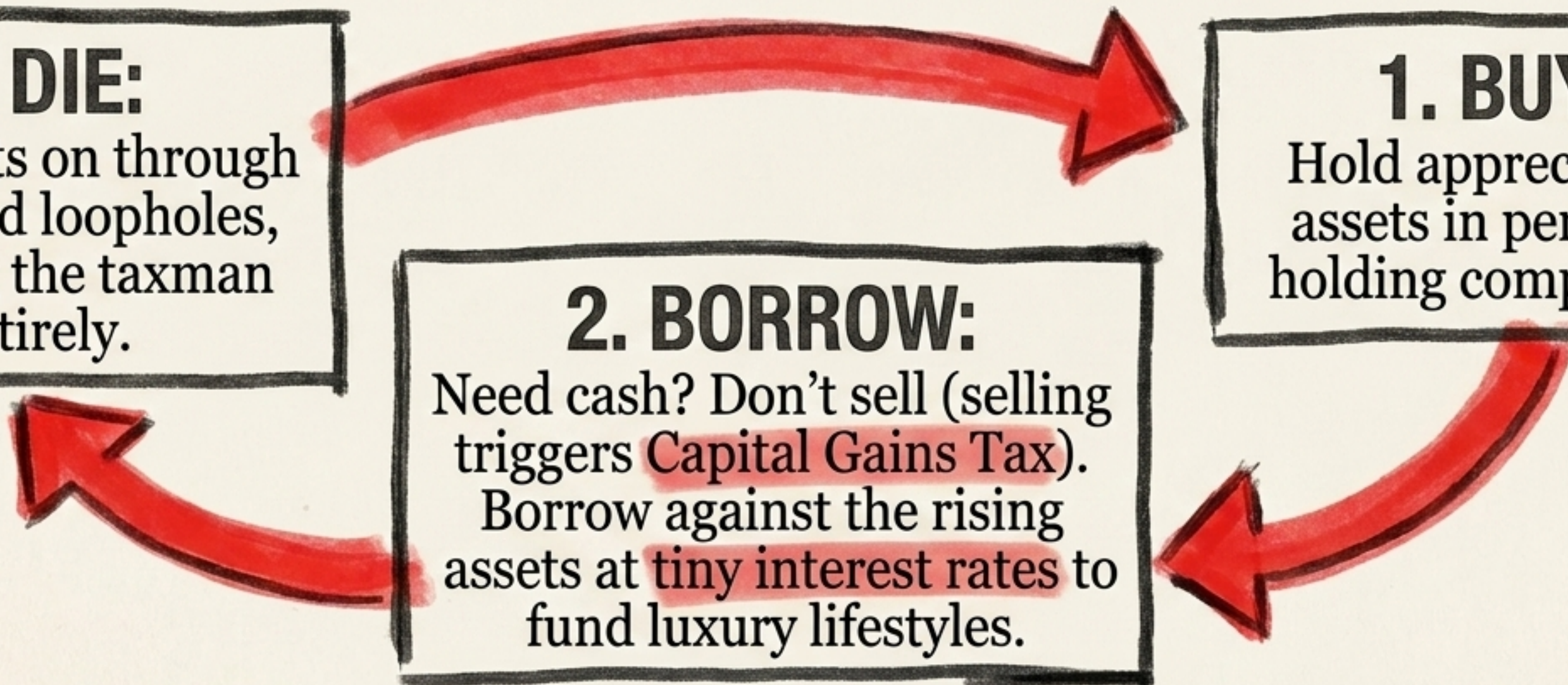
Pass assets on through trusts and loopholes, avoiding the taxman entirely.

2. BORROW:

Need cash? Don't sell (selling triggers **Capital Gains Tax**). Borrow against the rising assets at **tiny interest rates** to fund luxury lifestyles.

1. BUY:

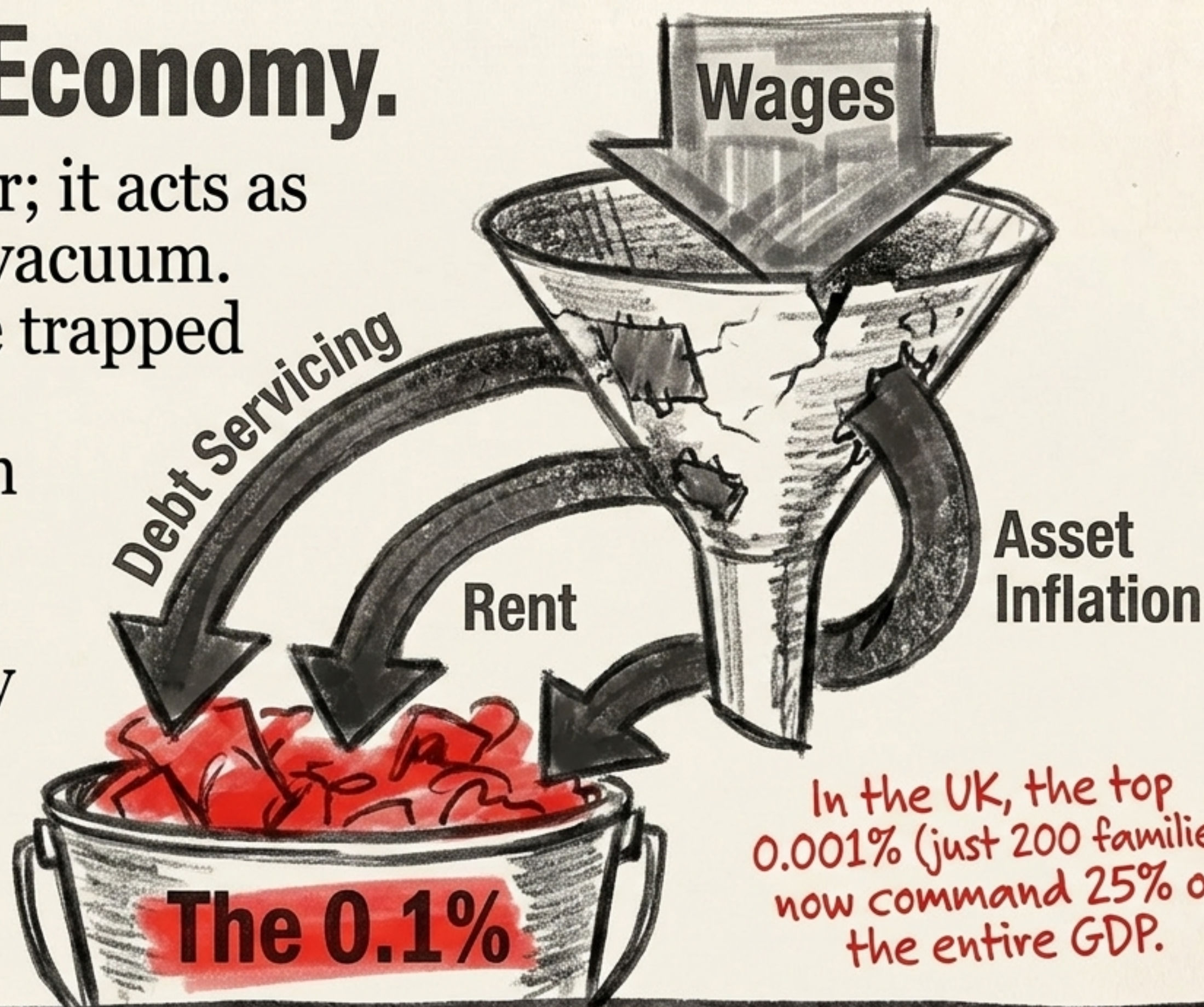
Hold appreciating assets in personal holding companies.



The Rentier Economy.

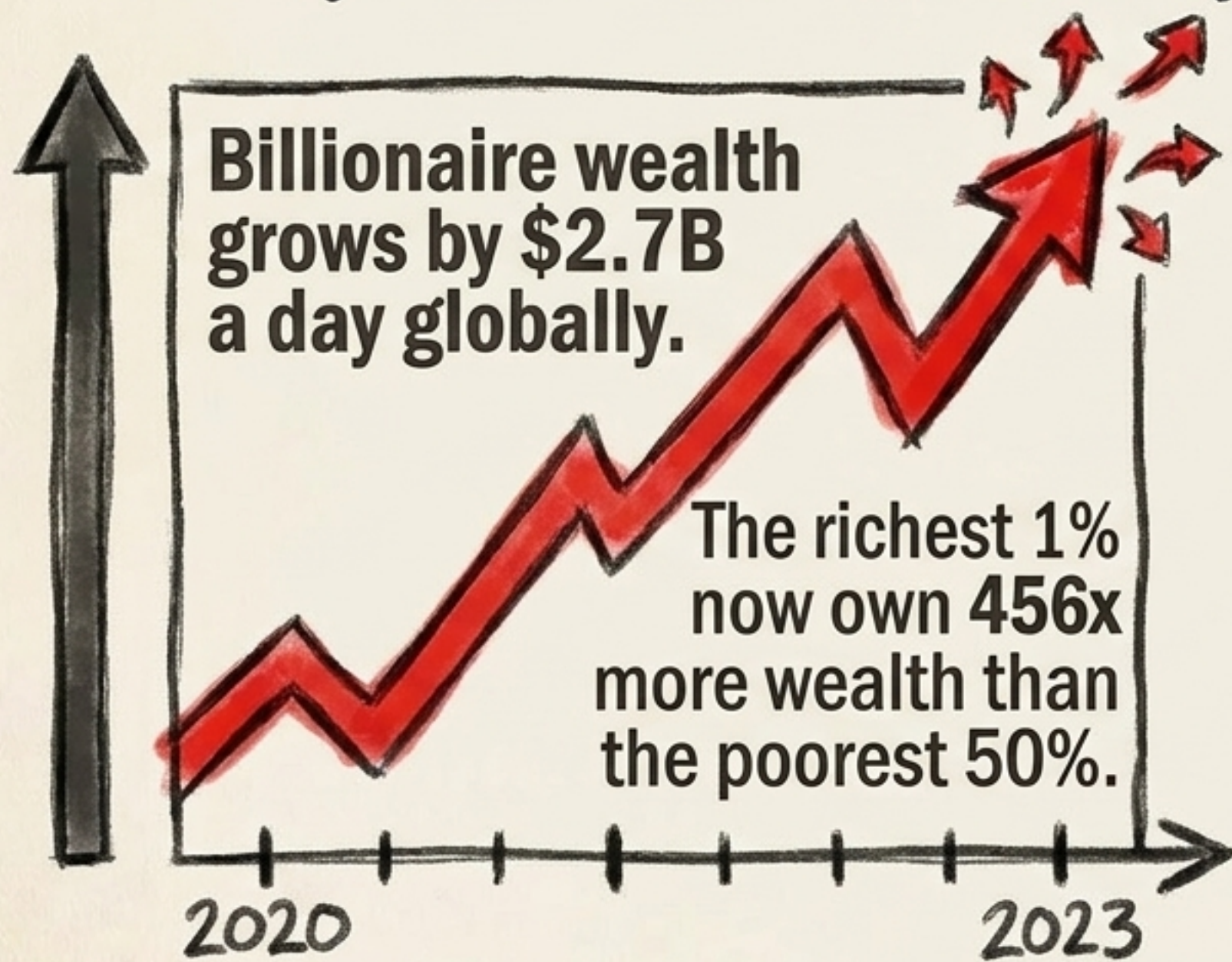
This isn't just unfair; it acts as a macroeconomic vacuum.

Working people are trapped paying off debt and exorbitant rent to an asset-owning class whose wealth multiplies simply by owning things.



While the top hoards, the bottom breaks.

The social contract—that hard work guarantees economic security—has been broken by an untaxed asset class.



60% of people living in poverty today live in working households.



Equalise the burden.

The fix is surprisingly simple: The Equal Tax Act. Treat investment income exactly the same as earned income.



If you make over £1 million a year, you should pay the exact same tax rate whether you earned it through a paycheck or a stock portfolio. End the structural subsidy for the rich.

The 2% Wealth Tax.

To capture hoarded, unrealized wealth, economists propose a globally coordinated 2% minimum wealth tax on individuals worth over \$100 million.

- Functions as a fiscal floor.
- Raises \$250 Billion globally (£15B in the UK alone).



The Minimum Floor.

Simply ensures that billionaires contribute at least as much to society as a teacher or a nurse.

“But they will all leave!”

The final boss of tax reform is the financial lobby's favourite threat: Capital Flight.

They claim that if we tax the rich, a millionaire exodus will occur, and they will pack up their businesses and destroy the economy.



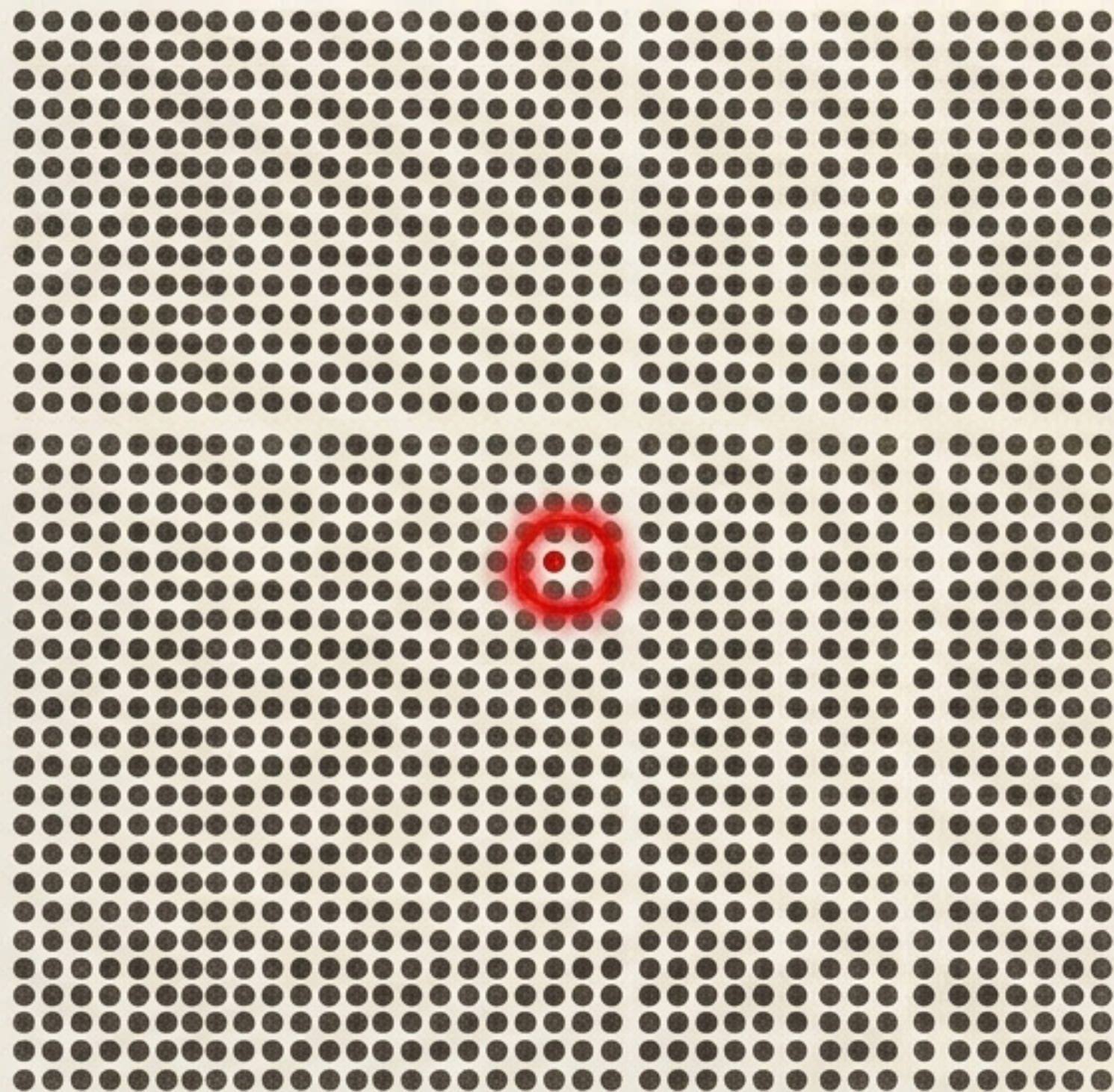
The 0.01% Myth.

Hard administrative data from Scandinavian wealth tax reforms reveals the truth.

A 1 percentage point increase in top wealth taxes reduces the wealthy population by barely 2%.

Actual studies show relocation rates as low as 0.01%.

The wealthy care about their business networks, prime real estate, and culture far more than a marginal tax tweak.





Where the numbers come from.

The 3.4% Reality: IRS data on the 25 richest Americans (2014-2018).

Equal Tax Act: Patriotic Millionaires UK & US policy frameworks.

2% Minimum Tax: Gabriel Zucman, Global Tax Observatory / G20 proposal.

Macroeconomic Extraction: Gary Stevenson, The Trading Game / GarysEconomics.

Capital Flight Data: NBER Working Paper 32153, Taxing Top Wealth: Migration Responses.

Poverty & Inequality Stats: Oxfam GB / Joseph Rowntree Foundation.