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Report Brief

## “Seven Truths About Black American Billionaires”

by

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## Introduction

This Report Brief explores seven truths about Black American billionaires who were cited in [Forbes Magazine's](#) April 2021 issue on the world's billionaires: Robert F. Smith, David Steward, Oprah Winfrey, Kanye West, Michael Jordan, Jay-Z Carter, and Tyler Perry. It reflects the following information about these billionaires: (1) Their net worth; (2) types of companies owned; (3) industries that are the source of the majority of their wealth; (4) whether the companies reflect other Black Americans at the leadership helm; (5) whether the companies have significant business relationships with the US Government; (6) the marital statuses of the billionaires; and (7) the highest educational degrees attained by the billionaires.

Let us be clear: Billionaires come and go depending on market conditions. Therefore, a billionaire this year may not be a billionaire next year. The list is fluid. Also, while some billionaires have one major source of wealth, others derive significant wealth from a variety of sources. Finally, given the nature of these billionaires and their sources of wealth, in certain cases, formal documents are not readily and publicly available from which to glean official information. Consequently, this report is based mainly on tidbits gleaned from Internet sources.

The purpose of this report is to lay bare key facts or truths about these billionaires so that, as Black Americans, we are not befuddled about their wealth or wealth in general. Importantly, we explore these truths with the intent of clarifying what these billionaires' wealth portends for the broader Black American economy.

## Net Worth

Billionaires	Net Worth (\$'s billions)
Smith	\$6.0
Steward	\$3.7
Winfrey	\$2.7
West	\$1.8
Jordan	\$1.6
Carter	\$1.4
Perry	\$1.0

As indicated in our recent essay, [“New Black-NonBlack Wealth Inequality Metrics,”](#) the total volume of these billionaires' wealth is just \$18.2 billion compared with \$177.0 billion in wealth owned by the world's and America's top billionaire, Jeff Bezos. Clearly, while important and valued, Black American billionaire-level wealth (and our wealth in general) pales in comparison with the wealth held by nonBlack Americans. Therefore, Black Americans cannot expect the wealth held by these billionaires to be leveraged to close the Black-nonBlack wealth gap in a significant way.

## Types of Companies Owned

The truth here is simple. These Black billionaires own companies that are of the limited liability or privately held corporation variety. In other words, none of the companies is traded publicly on a market exchange. Therefore, you cannot purchase shares in these companies and ride the waves of their success.

## Industries of Majority of Wealth

This table shows the obvious reality: Four of the seven billionaires obtain the majority of their wealth from entertainment industries (some of West’s wealth is also derived from music entertainment). This represents mainly one-sided development for

Billionaires	Industries/Companies
Smith	Finance & Investment: Vista Equity Partners
Steward	Technology: World Wide Technology
Winfrey	Media & Entertainment: Harpo, Inc.
West	Fashion & Retail: Yeezy (YZY)
Jordan	Sports (Entertainment): Charlotte Hornets
Carter	Media & Entertainment: Roc Nation
Perry	Media & Entertainment: Tyler Perry Studios

Black Americans. It is favorable to see that Smith’s billions are from finance and investment, but retail banking is not involved. In addition, Steward derives his wealth from the technology industry by mainly producing certain information technology software that accompanies hardware that is sourced outside of the company. Even in West’s case, he designs and retails clothing, but does not manufacture it. In other words, none of the seven billionaires manufactures tangible goods that are sold in the marketplace. Broadly, Black Americans continue to manufacture almost nothing. It is worth noting that *Forbes Magazine* lists Carter as deriving the majority of his wealth from media and entertainment; however, Carter has a portfolio of other significant wealth holding interests—including restaurant bars, distilleries, cannabis, etc.

## Other Black Americans at the Leadership Helm

Our research revealed that Jordan’s, Carter’s, and Perry’s companies include Black Americans in the top three leadership positions (other than the owner). Smith’s, Steward’s, and West’s companies reflect no such leadership configuration. Given its closely held nature, we were unable to clearly identify top executives of Winfrey’s company.

## US Government Business Relationships

Only Steward’s company benefits significantly from a business relationship with the US Government.

## Marital Statuses

Billionaires	Marital Statuses
Smith	Married to a nonBlack American
Steward	Married to a Black American
Winfrey	Not Married
West	Divorce in progress
Jordan	Married to a nonBlack American
Carter	Married to a Black American
Perry	Not Married

Without doubt, one’s marital status is a personal matter. However, it is worth assessing the marital statuses of these billionaires in order to anticipate whether their wealth is likely to remain in the hands of Black Americans into the distant future.

## Highest Academic Degree Attained

The table shows that there is no strong correlation between education beyond high school and wealth acquisition for these Black American billionaires. With one not having completed high school, and two high school graduates, nearly half of the seven billionaires did not complete an undergraduate college or university program. This is not to denigrate higher education. However, if wealth is what one seeks, then these results are clear: It is possible to obtain a significant amount of wealth without a considerable amount of “formal” education.

Billionaires	Highest Earned Degrees
Smith	Master’s Degree
Steward	Bachelor’s Degree
Winfrey	Bachelor’s Degree
West	High School Graduate
Jordan	Bachelor’s Degree
Carter	High School Incomplete
Perry	High School Graduate

## Conclusion

This Report Brief has explored seven truths about seven Black Americans who are listed as billionaires during 2021. There is no earth-shattering information here. However, the following takeaways should be kept in mind:

- Black America’s wealthy are almost inconsequential compared to America’s nonBlack wealthy.
- The companies owned by these billionaires are not of the large publicly traded variety; i.e., you cannot acquire tradable shares of these companies and benefit from their success.
- The majority of Black billionaires gained their wealth from entertainment industries.
- We were unable to assess completely the extent to which the leadership of the companies owned by these Black billionaires include Black Americans (other than the owners) within their very top ranks.
- Only one of the companies owned by Black billionaires benefit significantly from a business relationship with the US Government.
- Two of the Black billionaires are not married; one is in the process of divorce; two are married to Black Americans; and two are married to nonBlack Americans.
- The educational attainment of the seven Black billionaires reflects no strong association between education beyond high school and wealth acquisition.

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