

Should there be billionaires?

1 Warmer

a. Match the numbers in words to the numbers in digits.

- 1. one billion a. 1,000,000
- 2. one million b. 1,000,000,000,000
- 3. one trillion c. 1,000,000,000

b. Say these numbers out loud.

- 1. 1,292,638,500
- 2. 4,412,638,306

2 Key words

Write the key words next to the definitions. Then find them in the text to read them in context.

asset	allocation	bash	conscientious	crude	egalitarian
executive pay	pay-off	persist in	substantive	vigilant	

- 1. publicly criticize someone _____
- 2. continue to do something in a determined way _____
- 3. not exact or accurate but often good enough for a particular purpose _____
- 4. watching a situation very carefully so that you will notice any problems or signs of danger immediately _____
- 5. working hard and careful to do things well _____
- 6. investing money and property in a way that balances risk and reward _____
- 7. the money that senior managers get from a company or business _____
- 8. a reward you receive for doing something _____
- 9. important or serious, or referring to the most important or serious issues _____
- 10. supporting a social system in which everyone has equal status and the same money and opportunities _____



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The number of billionaires has nearly doubled in the past ten years, and around thirty individuals own as much as the poorest four million people in the world. Is extreme wealth a sign of a prospering economy or of great inequality?

JULIAN EARWAKER presents both sides of the argument.



YES

“Billionaires are often a healthy sign of innovation and wealth creation.”

R James Breiding

1 It is easy to bash billionaires these days, but they are often a healthy sign of innovation and wealth creation. While billionaires certainly enrich themselves, they benefit the rest of society by generating jobs, creating wealth for others and paying taxes. Fairer models of taxation are probably required, but governments persist in using income as a crude (and easily manipulated) basis for calculating tax.

2 Billionaires are often philanthropists, too, making valuable contributions to education, culture and the arts, the environment and social services initiatives.

3 Recent research shows that companies run by billionaires do better on the stock market. This is no surprise – studies show consistently superior performance when companies are owned by vigilant and long-term shareholders, regardless of their wealth. Billionaires tend to fit into this category. As owners with “skin in the game*”, they are often more conscientious.

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4 The real inefficiency in investment and asset allocation comes from corporations that don't have engaged owners. Governments can have difficulty killing misguided projects, while widely owned corporations tend to have executive pay structures that discourage long-term investment, starve research and prefer short-term pay-offs.

5 Super-rich individuals can afford to be more speculative, undertaking initiatives outside the boundaries of conventional funding. They are more often a healthy sign of creativity and success than an example of policy failure.

6 Societies with more substantive and long-term ownership also tend to preserve the value of their national industrial treasures and pass them on more responsibly – such as in Denmark, Japan, the Netherlands, Sweden and Switzerland. The age of their most valuable companies often exceeds 100 years. Sweden and Switzerland are egalitarian but still manage to generate opportunities for exceptional wealth creation: think of the Kamprads (IKEA). They demonstrate that the treasures billionaires create last longer and are shared over several generations.

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* have skin in the game = be at risk financially because you have invested in something that you want to happen

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3 Information sharing

- a. Write the arguments from your text into the Student A column. Include simpler explanations or synonyms for any words and expressions you think you might need to explain to someone who hasn't read the text.

Student A	Student B

- b. Talk to a Student B and complete the Student B column.
- c. Discuss the two authors' opinions, say who you think makes the strongest case and decide what part of his argument most convinced you.

4 Discussion

- In times of crisis, are billionaires morally required to help others, in your opinion?
- Should billionaires be legally required to help others at such times?
 - If so, how exactly?
 - If not, why not?
- What does having a large number of billionaires in relation to its population size say about a country?
- Given the choice, would you prefer to work for a company run by a billionaire or for a 'widely owned corporation' (see paragraphs 3–5, text A)?
- Can you think of any business-related examples of cronyism amongst the extremely wealthy?

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5 Research and presentation

- a. Find out about the current wealthiest businesspeople in the world.
- Which of them inherited their wealth?
 - How many of them made their fortune through technology?
 - How many of them made their money through investments?
 - What other industries did they make their fortunes in?
 - Who could be called an entrepreneur?
 - How many women are on the list?
 - Are there any distinguishing factors that connect them? E.g. age, nationality, background.
- b. Find out more about one of the world's wealthiest businesspeople, and prepare to give a presentation about them. Be prepared to answer questions with relevant information.