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For the Few, Not the Many

How the Estate Tax Repeal Savings for Trump and 15 of the Administration's Wealthiest Officials Compares to the Median U.S. Family's Net Worth

Acknowledgments

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*"I am doing the right thing, and it's not good for me. Believe me."*¹
– Donald J. Trump

¹ Julie Hirschfeld Davis and Alan Rappoport, *Trump Proposes the Most Sweeping Tax Overhaul in Decades*, THE NEW YORK TIMES (Sept. 27, 2017), <http://nyti.ms/2fUaEqZ>.

Introduction

In his famous 1910 “new nationalism speech,” former President Theodore Roosevelt advocated for what is currently known as the estate tax – a tax on very large inheritances.² President Donald Trump has assembled one of the wealthiest administrations ever. As such, heirs to Trump administration officials may stand to save billions of dollars if the estate tax is repealed.

Roosevelt’s belief, shared by many who support the estate tax today, was that due to its size, a “swollen”³ estate “acquires qualities which differentiate it in kind as well as in degree from what is possessed by men of relatively small means.”⁴ Roosevelt then made the statement that is commonly cited as the foundation for the modern estate tax: “I believe in a graduated income tax on big fortunes ... increasing rapidly in amount with the size of the estate.”⁵ The modern day estate tax was enacted with the passage of the Revenue Act of 1916.⁶

There is an enormous exemption to the estate tax, which prevents it from affecting all but the wealthiest families. In 2017, the estate tax exemption was \$5.49 million for an individual, meaning a couple has an overall exemption of roughly \$11 million.⁷

Center on Budget and Policy Priorities (CBPP), a nonpartisan research and policy institute,⁸ describes the estate tax as the “most progressive part of the tax code.”⁹ It affects an extremely small percentage of Americans – 0.2 percent, roughly 2 people out of every 1,000 who die, according to CBPP.¹⁰ The other 99.8 percent of estates are not affected by the tax at all.

The estate tax rate has fluctuated since 1916. Currently, the top statutory estate tax rate is 40 percent.¹¹ But due to estate tax avoidance and loopholes,¹² the average amount that estates covered by the tax will actually pay in 2017 (commonly known as the “effective rate”) is about 17 percent, according to the Tax Policy Center (TPC).¹³

Throughout this analysis, we analyze the amount that Trump and wealthy administration officials would save from repeal of the estate tax savings both at the 17 percent effective rate and the 40 percent top statutory rate.

² *Policy Basics: The Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (Aug. 14, 2017), <http://bit.ly/2wi2t20>.

³ Megan Slack, *From the Archives: President Teddy Roosevelt’s New Nationalism Speech*, THE WHITE HOUSE OF PRESIDENT BARACK OBAMA (Dec. 6, 2011), <http://bit.ly/2xvNw11>.

⁴ *Id.*

⁵ *Id.*

⁶ Darien B. Jacobson, Brian G. Raub, and Barry W. Johnson, *The Estate Tax: Ninety Years and Counting*, THE INTERNAL REVENUE SERVICE, <http://bit.ly/2hhf9zi>.

⁷ Chye-Ching Huang and Chloe Cho, *Ten Facts You Should Know About the Federal Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (May 5, 2017), <http://bit.ly/2yrlmfd>.

⁸ About the Center, *Our Mission*, CENTER ON BUDGET AND POLICY PRIORITIES, <http://bit.ly/2f0MGt6>.

⁹ *Policy Basics: The Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (Aug. 14, 2017), <http://bit.ly/2wi2t20>.

¹⁰ Chye-Ching Huang and Chloe Cho, *Ten Facts You Should Know About the Federal Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (May 5, 2017), <http://bit.ly/2yrlmfd>.

¹¹ *Id.*

¹² *Id.*

¹³ MODEL ESTIMATES, OTHER TABLES, T16-0277 - CURRENT LAW DISTRIBUTION OF GROSS ESTATE AND NET ESTATE TAX BY SIZE OF GROSS ESTATE, 2017, TAX POLICY CENTER (Nov. 30, 2016), <http://tpc.io/2fwQNBk>.

President Trump has released three different documents outlining his intended tax plan proposals: One as a candidate,¹⁴ and two as president.¹⁵ While all the documents are scant on details, Trump has specifically called for the repeal the estate tax in each one. Trump, like most who oppose the estate tax, refers to it as the “death tax.”¹⁶

While advocating for his most recent tax plan (which includes estate tax repeal),¹⁷ Trump said: “I am doing the right thing, and it’s not good for me. Believe me.”¹⁸ This is false. Repealing the estate tax would be very good for him, or at least his heirs, and for those of members of his administration.

This report will show, among other things:

Trump

- Trump’s estimated savings from an estate tax repeal would be about \$593 million and could be as much as \$1.4 billion.
- Trump’s \$593 million in savings would be equal to the combined net worth of 6,000 U.S. families (of all races and ethnicities) of a median net worth.
- The \$593 million in savings would be equal to the combined net worth of 29,000 Hispanic or Latino U.S. families of a median net worth or 34,000 African-American U.S. families of a median net worth.

15 Trump Administration Officials

- The estimated savings from an estate tax repeal for 15 wealthy administration officials (including Trump) would be about \$1.7 billion and could be as much as \$4.1 billion.
- The 15 administration officials’ \$1.7 billion in savings is equal to the combined net worth of 18,000 U.S. families (of all races and ethnicities) of a median net worth.
- The 15 administration officials’ \$1.7 billion in savings is equal to the combined net worth of 83,000 Hispanic or Latino families of a median net worth or 98,000 African-American U.S. families of a median net worth.

This report uses publicly available net worth estimates and calculates the estimated savings from an estate tax repeal. The estimated savings are then compared to the Federal Reserve’s 2016 Survey of Consumer Finances (SCF) data.¹⁹ A detailed methodology appears in Appendix I.

¹⁴ See <https://assets.donaldjtrump.com/trump-tax-reform.pdf>

¹⁵ *The 1-Page White House Handout on Trump’s Tax Proposal*, CNN (April 26, 2017), <http://cnn.it/2q3lwtr> and Jonathan Swan, *Here’s The GOP Tax Plan*, AXIOS (Sept. 27, 2017), <http://bit.ly/2xBYYk2>.

¹⁶ Jonathan Swan, *Here’s The GOP Tax Plan*, AXIOS (Sept. 27, 2017), <http://bit.ly/2xBYYk2>.

¹⁷ *Id.*

¹⁸ Julie Hirschfeld Davis and Alan Rappeport, *Trump Proposes the Most Sweeping Tax Overhaul in Decades*, THE NEW YORK TIMES (Sept. 27, 2017), <http://nyti.ms/2fUaEqZ>.

¹⁹ 2016 SURVEY OF CONSUMER FINANCES (SCF), THE FEDERAL RESERVE (Sept. 27, 2017), <http://bit.ly/2xMZuy5>.

I. Trump's Estate Tax Cut is Equal to the Combined Net Worth of About 6,000 U.S. Families of a Median Net Worth

According to *Forbes'* in 2016, President Trump is the 544th²⁰ richest person in the world – with a net worth of \$3.5 billion.²¹

The median U.S. family net worth in 2016 was \$97,300, according to the Federal Reserve.²² This means the current president's net worth is roughly equal to that of 36,000 U.S. families of a median net worth combined. The Federal Reserve data reinforces what is already well known: vast inequality continues to exist between families based on race or ethnicity. White families have a median net worth of \$171,000. While the median family net worth for Hispanic or Latino and African-American families was \$20,700 and \$17,600, respectively.

Therefore, Trump's net worth is roughly equal to that of the combined net worth of 169,000 Hispanic or Latino families of a median net worth or 199,000 African-American families of a median net worth in the United States. [Accompanying chart in Appendix III]

Trump's Heirs Would Save About \$593 Million From Repeal of the Estate Tax

If Trump signs legislation repealing the estate tax, he would save his heirs \$593 million if his estate were to pay the 17 percent effective estate tax rate. They would save \$1.4 billion if the estate were to pay the 40 percent statutory rate. [See Table 1]

Table 1 – Trump's Estimated Savings From the Repeal of the Estate Tax

Name	Position	Net Worth Estimate	17% Effective Rate Savings	40% Top Statutory Rate Savings
Donald J. Trump	President	\$3.5b	\$593m	\$1.4b

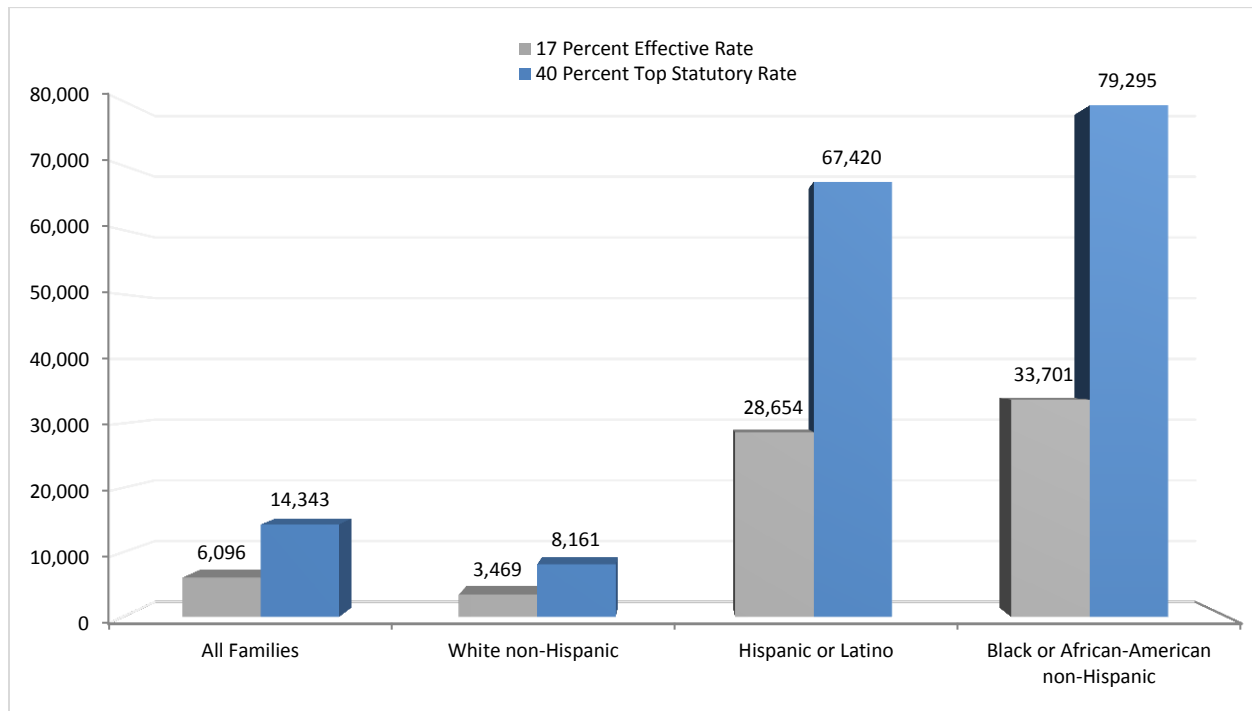
To put Trump's estate tax repeal savings in perspective, they would equal the combined net worth of about 6,000 U.S. families of a median net worth if one assumes the 17 percent effective tax rate, and about 14,000 families if one assumes the 40 percent rate. [See Figure 1]

²⁰ *The World's Billionaires, 2017 Ranking*, FORBES, <http://bit.ly/2xrmj9X>.

²¹ *The Definitive Net Worth of Donald Trump*, FORBES (Feb. 2017), <http://bit.ly/2vWqFCQ>.

²² 2016 SURVEY OF CONSUMER FINANCES (SCF), THE FEDERAL RESERVE (Sept. 27, 2017), <http://bit.ly/2xMZuy5>.

Figure 1 – Number of U.S. Families of Median Net Worth It Would Take to Equal the \$593 Million to \$1.4 Billion That Trump’s Heirs Would Realize From Estate Tax Repeal



By repealing the estate tax, Trump would be giving his family a tax cut equal to the combined net worth of about 29,000 Hispanic or Latino families of a median net worth, or equal to the combined net worth of about 34,000 African-American families of a median net worth.

It is important to note, in 2016 Trump’s campaign claimed he was worth “in excess of \$10 billion,” according to *Fortune*.²³ If this claim were true, Trump’s heirs would save between \$1.7 billion and \$4 billion from the repeal of the estate tax.

²³ Shawn Tully, *Here’s How Much Donald Trump’s Net Worth Jumped in the Past 10 Months*, FORTUNE (May 23, 2016), <http://for.tn/2ye0Dzx>.

II. The Trump Administration's Estate Tax Savings Are Equal to the Combined Net Worth of About 18,000 U.S. Families of a Median Net Worth

Trump is not the only one in his administration who stands to benefit from the repeal of the estate tax. Trump's cabinet is very wealthy.²⁴ And many other high ranking officials in his administration – individuals who did not require Senate confirmation – are also very wealthy.

This analysis focuses on 14 additional high ranking administration officials who, along with Trump, have an estimated net worth greater than the \$11 million estate tax exemption. Three of these officials are estimated to be billionaires: Wilbur Ross, the Secretary of Commerce (\$2.5 billion);²⁵ Linda McMahon, the Administrator of the Small Business Administration (\$1.2 billion);²⁶ and Betsy DeVos, the Secretary of Education (\$1 billion).²⁷

In total, the 15 officials have a combined net worth of more than \$10 billion – a total that is equal to the combined net worth of 106,000 U.S. families of a median net worth.

The total net worth of the 15 officials is equal to that of the combined net worth of 499,000 Hispanic or Latino families of a median net worth, or 587,000 African-American families of a median net worth. [Accompanying chart in Appendix III]

Top Trump Administration Officials May Save Their Heirs About \$1.7 Billion With The Repeal of The Estate Tax

In total, the estate tax repeal may save the 15 Trump administration officials about \$1.7 billion if the 17 percent effective estate tax rate is assumed, and as much as \$4.1 billion if they were to pay the 40 percent statutory rate. [See Table 2]

²⁴ Chase Peterson-Withorn, *The \$4.3 Billion Cabinet: See What Each Top Trump Advisor Is Worth*, FORBES (July 5, 2017), <http://bit.ly/2xrwOtV>.

²⁵ *Id.*

²⁶ Kate Vinton, *Meet Linda McMahon, Wife Of WWE Billionaire And Trump's Pick For Small Business Administrator*, FORBES (Dec. 7, 2016), <http://bit.ly/2xiExdU>.

²⁷ Chase Peterson-Withorn, *The \$4.3 Billion Cabinet: See What Each Top Trump Advisor Is Worth*, FORBES (July 5, 2017), <http://bit.ly/2xrwOtV>.

Table 2 – Trump Administration Officials Estimated Savings From Estate Tax Repeal²⁸

Name	Position	Net Worth Estimate	17% Effective Rate Savings	40% Top Statutory Rate Savings
Donald J. Trump	President	\$3.5b	\$593m	\$1.4b
Wilbur Ross	Secretary of Commerce	\$2.5b	\$423m	\$996m
Linda McMahon	Administrator of the Small Business Administration	\$1.2b	\$195m	\$460m
Betsy DeVos	Secretary of Education	\$1b	\$168m	\$396m
Gary Cohn	Director of the National Economic Council	\$509m	\$85m	\$199m
Jared Kushner	Senior adviser to the president for strategic planning	\$393m	\$65m	\$153m
Steven Mnuchin	Secretary of the Treasury	\$385m	\$64m	\$150m
Reed Cordish	Special assistant to the president for intragovernmental and technology initiatives	\$311m	\$51m	\$120m
Rex W. Tillerson	Secretary of State	\$300m	\$49m	\$116m
Chris Liddell	Director of strategic initiatives for the White House Strategic Development Group	\$136m	\$21m	\$50m
Robert Lighthizer	Nominee for U.S. Trade Representative	\$46m	\$6m	\$14m
Kellyanne Conway	Counselor to the president	\$28m	\$3m	\$6.7m
Ben Carson	Secretary of Housing and Urban Development	\$22m	\$2m	\$4.4m
Elaine L. Chao	Secretary of Transportation	\$22m	\$2m	\$4.4m
David J. Shulkin	Secretary of Veterans Affairs	\$17m	\$1m	\$2.4m
Total		\$10.3b	\$1.7b	\$4.1b

Two of the main individuals behind Trump’s tax plan push are Treasury Secretary Steven Mnuchin and Director of the National Economic Council Gary Cohn. Both men were part of the “big six” – a group of congressional and White House officials tasked with creating a unified tax plan.²⁹ And both were with Trump in Indiana when he gave a speech outlining his tax plan.³⁰ Mnuchin has an estimated net worth of \$385 billion,³¹ according to *Forbes*.³² Cohn is estimated to be worth \$509 million, according to a *Bloomberg* reporter with extensive experience estimating net worth.³³ The

²⁸ Our estimates do not include the entire Trump administration. Therefore, the administration as a whole may save substantially more than estimated in this analysis. For example, we did not include ambassadors: Woody Johnson, the ambassador to the U.K., is worth an estimated \$4.2 billion, according to *Bloomberg*. The estate tax repeal could save Johnson more than \$712 million. See Brendan Coffey, *Jets Owner Woody Johnson Is Worth \$4.2 Billion*, BLOOMBERG (July 11, 2017), <https://bloom.bg/2fxjrSI>.

²⁹ Alan Rappeport, *Top G.O.P. Tax Negotiators Move Closer to a Unified Plan*, THE NEW YORK TIMES (July 26, 2017), <http://nyti.ms/2yMPj5>.

³⁰ Julie Hirschfeld Davis and Alan Rappeport, *Trump Proposes the Most Sweeping Tax Overhaul in Decades*, THE NEW YORK TIMES (Sept. 27, 2017), <http://nyti.ms/2fUaEqZ>.

³¹ To note, Bloomberg estimated Mnuchin’s net worth to me much higher, See Brendan Coffey et al., *Trump’s \$6 Billion Cabinet: Mostly Men, Mostly White and Not Much Government Experience*, BLOOMBERG (Dec. 15, 2016), <https://bloom.bg/2v5LxI2>.

³² Chase Peterson-Withorn, *The \$4.3 Billion Cabinet: See What Each Top Trump Advisor Is Worth*, FORBES (July 5, 2017), <http://bit.ly/2xrwOtV>.

³³ Email on file with author. <https://bloom.bg/2w9L7jK>

heirs of Mnuchin and Cohn stand to save about \$64 million and \$85 million, respectively, if the estate tax is repealed.

The \$1.7 billion in savings for the heirs of the 15 Trump administration officials is equal to the combined net worth of 18,000 U.S. families of median net worth. The savings is equal to the combined net worth of 83,000 Hispanic or Latino families of a median net worth or 98,000 African-American families. [See Table 3]

Table 3 – Number of Median Net Worth U.S. Families’ Combined Net Worth It Would Take to Equal Trump Officials’ Savings From Estate Tax Repeal (Assuming 17 Percent Effective Tax Rate)

Name	Position	17% Effective Rate Savings	Number of Median Net Worth U.S. Families’ Combined Net Worth It Would Take to Equal Trump Officials’ Savings From Estate Tax Repeal			
			All	White	Hispanic	African-American
Donald J. Trump	President	\$593m	6,096	3,469	28,654	33,701
Wilbur Ross	Secretary of Commerce	\$423m	4,349	2,474	20,441	24,041
Linda McMahon	Administrator of the Small Business Administration	\$195m	2,008	1,142	9,436	11,098
Betsy DeVos	Secretary of Education	\$168m	1,728	983	8,122	9,553
Gary Cohn	Director of the National Economic Council	\$85m	870	495	4,090	4,810
Jared Kushner	Senior adviser to the president for strategic planning	\$65m	668	380	3,138	3,690
Steven Mnuchin	Secretary of the Treasury	\$64m	653	372	3,071	3,613
Reed Cordish	Special assistant to the president for intragovernmental and technology initiatives	\$51m	523	298	2,460	2,894
Rex W. Tillerson	Secretary of State	\$49m	505	287	2,373	2,791
Chris Liddell	Director of strategic initiatives for the White House Strategic Development Group	\$21m	218	124	1,024	1,204
Robert Lighthizer	Nominee for U.S. Trade Representative	\$6m	61	35	289	340
Kellyanne Conway	Counselor to the president	\$3m	29	17	137	161
Ben Carson	Secretary of Housing and Urban Development	\$2m	19	11	90	106
Elaine L. Chao	Secretary of Transportation	\$2m	19	11	90	106
David J. Shulkin	Secretary of Veterans Affairs	\$1m	10	6	49	58
Total		\$1.7b	17,757	10,104	83,465	98,167

If the government cracked down on estate tax avoidance and closed loopholes, and the 15 individuals in the Trump administration eventually paid top statutory rate of 40 percent, the estates of the wealthy officials in Trump administration would owe as much as \$4.1 billion in estate taxes.

This total is equal to that of 196,000 Hispanic or Latino families of a median net worth combined, or 231,000 African-American families of a median net worth. [See Table 4]

Table 4 – Number of Median Net Worth U.S. Families’ Combined Net Worth It Would Take to Equal Trump Officials’ Savings From Estate Tax Repeal (Assuming the 40 Percent Top Statutory Rate)

Name	Position	40% Top Statutory Rate Savings	Number of Median Net Worth U.S. Families’ Combined Net Worth It Would Take to Equal Trump Officials’ Savings From Estate Tax Repeal			
			All	White	Hispanic	African-American
Donald J. Trump	President	\$1.4b	14,343	8,161	67,420	79,295
Wilbur Ross	Secretary of Commerce	\$996m	10,232	5,822	48,097	56,568
Linda McMahon	Administrator of the Small Business Administration	\$460m	4,724	2,688	22,203	26,114
Betsy DeVos	Secretary of Education	\$396m	4,066	2,313	19,111	22,477
Gary Cohn	National Economic Council	\$199m	2,047	1,165	9,623	11,318
Jared Kushner	Senior adviser to the president for strategic planning	\$153m	1,571	894	7,383	8,683
Steven Mnuchin	Secretary of the Treasury	\$150m	1,538	875	7,227	8,500
Reed Cordish	Special assistant to the president for intragovernmental and technology initiatives	\$120m	1,232	701	5,789	6,809
Rex W. Tillerson	Secretary of State	\$116m	1,188	676	5,585	6,568
Chris Liddell	Director of strategic initiatives for the White House Strategic Development Group	\$50m	512	292	2,409	2,833
Robert Lighthizer	Nominee for U.S. Trade Representative	\$14m	145	82	680	800
Kellyanne Conway	Counselor to the president	\$6.7m	68	39	322	378
Ben Carson	Secretary of Housing and Urban Development	\$4.4m	45	26	213	250
Elaine L. Chao	Secretary of Transportation	\$4.4m	45	26	213	250
David J. Shulkin	Secretary of Veterans Affairs	\$2.4m	25	14	116	136
Total		\$4.1b	41,781	23,773	196,389	230,981

III. The Estate Tax is Estimated to Bring in at Least \$269 Billion In Revenue Over the Next Decade – Even With Tax Avoidance

Repealing the estate tax would reduce tax receipts by \$269 billion over a decade, according to the Joint Committee on Taxation (JCT).³⁴ This estimate does not include the interest costs on the additional debt.³⁵ As such, the total cost of the estate tax repeal would likely approach \$300 billion over a decade.

The estate tax would bring in even more revenue if it weren't for loopholes that allow many estates valued at well over the \$11 million exemption to be taxed at a lower rate, or pay no estate tax at all.³⁶ According to CBPP, "wealthy estates use complex estate planning methods to exploit loopholes that reduce their tax liability and allow them to pass on significant portions of their estates tax-free."³⁷

One such avoidance measure has resulted in nearly \$100 billion in lost revenue, according to an estimate by the lawyer who found the loophole.³⁸

One Trump administration official, Gary Cohn, the Director of the National Economic Council and chief economic advisor to Trump, appears to agree with the assessment that many estates avoid the tax. "Only morons pay the estate tax," he reportedly told a group of Senate Democrats according to *The New York Times*.³⁹

A source close to Cohn later denied he used the word "moron," but acknowledged the overall sentiment behind the statement, claiming he said only "rich people with really bad tax planning" pay the estate tax.⁴⁰

³⁴ DESCRIPTION OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO THE PROVISIONS OF H.R. 1105, THE "DEATH TAX REPEAL ACT OF 2015," JOINT COMMITTEE ON TAXATION (March 24, 2015), <http://bit.ly/2xSfbEX>.

³⁵ Chye-Ching Huang and Chloe Cho, *Ten Facts You Should Know About the Federal Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (May 5, 2017), <http://bit.ly/2yrImfd>.

³⁶ *Policy Basics: The Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (Aug. 14, 2017), <http://bit.ly/2wi2t20>.

³⁷ *Id.*

³⁸ Chye-Ching Huang and Chloe Cho, *Ten Facts You Should Know About the Federal Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (May 5, 2017), <http://bit.ly/2yrImfd>.

³⁹ Julie Hirschfeld Davis and Kate Kelly, *Two Bankers Are Selling Trump's Tax Plan. Is Congress Buying?*, THE NEW YORK TIMES (Aug. 28, 2017), <http://nyti.ms/2xF3mSj>.

⁴⁰ *Id.*

Conclusion

While advocating for his most recent tax plan outline,⁴¹ Trump said: “I am doing the right thing, and it’s not good for me. Believe me.”⁴² Whether his plan amounts to the “right thing” is a matter of opinion. But contrary to his statement, his plan would in fact be very good for him – at least financially.

Our best guess is that repealing the estate tax will save Trump’s heirs close to \$600 million. Put in perspective, that would equal the combined net worth of 34,000 U.S. African-American families of a median net worth, according to data the Federal Reserve just released on per family net worth.

In total, heirs to 15 of the wealthiest administration officials stand to save about \$1.7 billion – a total equal to the combined net worth of 18,000 U.S. families of median net worth and 100,000 African-American families.

The estate tax hurts “family farms”⁴³ or “small businesses,”⁴⁴ advocates of repeal, like Speaker of the House Paul Ryan say. Those claims are greatly exaggerated.⁴⁵ In fact, it only affects the wealthiest 0.2 percent of estates because it doesn’t even kick in until a couple has about \$11 million.⁴⁶ It would be quite a stretch to refer to Donald Trump, billionaire commerce secretary Wilbur Ross, or Goldman Sachs alumnus turned economic adviser Gary Cohn as family farmers or small business owners.

The administration is choosing to propose this massive tax break for the super wealthy and at the same time it alleges that the government just can’t afford funding for Medicare, Medicaid, women, infants, and children nutrition assistance programs, grants for teacher training and affordable housing, or medical research.⁴⁷

When touting one of the Republicans’ recent healthcare proposals, Speaker Paul Ryan cheered its \$337 billion in estimated savings over a decade as a major accomplishment.⁴⁸ The savings were in large part due to the fact that the plan would leave 24 million more people uninsured.⁴⁹

⁴¹ Jonathan Swan, *Here’s The GOP Tax Plan*, AXIOS (Sept. 27, 2017), <http://bit.ly/2xBYYk2>

⁴² Julie Hirschfeld Davis and Alan Rappeport, *Trump Proposes the Most Sweeping Tax Overhaul in Decades*, THE NEW YORK TIMES (Sept. 27, 2017), <http://nyti.ms/2fUaEqZ>.

⁴³ Rep. Paul Ryan, *Tax Reform is the Crown Jewel of Economic Growth*, KENOSHA NEWS (May 17, 2017), <http://bit.ly/2yaRYOf>.

⁴⁴ Cezary Podkul, *Paul Ryan Says ‘Death Tax’ Hurts Wisconsin Small Businesses. IRS Data Shows Otherwise*, CNBC (June 8, 2017) <http://cnb.cx/2xofXXa>.

⁴⁵ Chye-Ching Huang and Chloe Cho, *Ten Facts You Should Know About the Federal Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (May 5, 2017), <http://bit.ly/2yrlmfd> and Cezary Podkul, *Paul Ryan Says ‘Death Tax’ Hurts Wisconsin Small Businesses. IRS Data Shows Otherwise*, CNBC (June 8, 2017) <http://cnb.cx/2xofXXa>.

⁴⁶ *Id.*

⁴⁷ Kim Soffen and Denise Lu, *What Trump Cut in His Agency Budgets*, THE WASHINGTON POST (May 23, 2017), <http://wapo.st/2wFZ1hD>.

⁴⁸ Speaker Ryan Press Office, *Key Points: AHCA Lowers Premiums, Increases Choices*, THE OFFICE OF SPEAKER OF THE HOUSE PAUL RYAN, (March 13, 2017), <http://bit.ly/2ywfOB5>.

⁴⁹ Haeyoun Park et al., *C.B.O. Analysis: Republican Health Plan Will Save Money but Drive Up the Number of Uninsured*, THE NEW YORK TIMES (March 13, 2017), <http://nyti.ms/2wMp0zg>.

Repealing the estate tax will cost close to \$300 billion over a decade.

One can learn a lot about an administration by how it values \$300 billion. Healthcare for 24 million or massive tax cuts to the wealthiest 0.2 percent of estates – including the president's.

The administration found only the latter to be worth the cost.

Appendix I – Methodology

Estimating Net Worth

Estimating net worth is challenging. For example, while the *Forbes* analysis estimates Mnuchin's net worth to be \$385 million,⁵⁰ a *Fortune* analysis estimated that his net worth could be as much as \$500 million,⁵¹ and a *Bloomberg* analysis estimated Mnuchin's net worth to be \$621 million.⁵²

Despite the challenges, outlets like *Forbes*, *Fortune* and *Bloomberg* have a lot of experience estimating the net worth of wealthy individuals.

For this analysis, we used every *Forbes* net worth estimate we could find.⁵³ These estimates covered the majority of Trump administration officials. If we could not find a *Forbes* estimate, as was the case with Gary Cohn, we used *Bloomberg's* estimate.

For five officials⁵⁴ for whom we did not find an estimate from *Forbes* or *Bloomberg*, Public Citizen calculated an estimated net worth using the officials' financial disclosure forms. First, we focused on officials whom *The New York Times* determined, based on analysis of financial disclosure forms,⁵⁵ to have a minimum asset value of about \$11 million.⁵⁶ Then we examined their financial disclosure forms, which are imprecise because they contain broad ranges. To calculate net worth, we averaged the low and high estimated asset value and subtracted the maximum possible liability total. This is a conservative methodology.

Comparing Net Worth and Estate Tax Repeal Savings to U.S. Family Net Worth

To compare the net worth and his estate tax repeal savings of the Trump Administration officials to the median U.S. family net worth, we used the Federal Reserve's 2016 Survey of Consumer Finances (SCF).⁵⁷ The data includes both mean (average) and median net wealth estimates, broken down race and ethnicity, as well as other categories. [See Appendix II]

To find the number of cumulative median families for which their net wealth was equal to a certain individual's estate tax savings, we divided the estate tax savings by the median family net worth.

⁵⁰ Chase Peterson-Withorn, *The \$4.3 Billion Cabinet: See What Each Top Trump Advisor Is Worth*, FORBES (July 5, 2017), <http://bit.ly/2xrw0tV>.

⁵¹ Jen Wiczner, *Trump Treasury Pick Mnuchin Is Much Richer Than Most People Thought*, FORTUNE (Jan. 11, 2017), <http://for.tn/2y9Ylhw>.

⁵² Brendan Coffey et al., *Trump's \$6 Billion Cabinet: Mostly Men, Mostly White and Not Much Government Experience*, BLOOMBERG (Dec. 15, 2016), <https://bloom.bg/2y5Lxj2>.

⁵³ Chase Peterson-Withorn, *The \$4.3 Billion Cabinet: See What Each Top Trump Advisor Is Worth*, FORBES (July 5, 2017), <http://bit.ly/2xrw0tV>.

⁵⁴ Jared Kushner, Robert Lighthizer, Reed Cordish, Chris Liddell, and Kellyanne Conway. Therefore, their asset value may be higher than even the top estimate. See Larry Buchanan et al., *How Much People in the Trump Administration Are Worth*, THE NEW YORK TIMES (April 3, 2017), <http://nyti.ms/2wYc8YD>.

⁵⁵ Derek Kravitz et al., *Here Are the Financial Disclosures of Hundreds of Officials Trump Has Installed Across the Government*, PROPUBLICA (Aug. 3, 2017), <http://bit.ly/2wFj5Mg>.

⁵⁶ Larry Buchanan et al., *How Much People in the Trump Administration Are Worth*, THE NEW YORK TIMES (April 3, 2017), <http://nyti.ms/2wYc8YD>.

⁵⁷ 2016 SURVEY OF CONSUMER FINANCES (SCF), THE FEDERAL RESERVE (Sept. 27, 2017), <http://bit.ly/2xMZuy5>.

Calculating Estate Tax Savings

We calculate the amounts that Trump and administration officials stand to save by repeal based on estimates of their current net worth both if they were taxed at the full statutory rate or at the effective rate.

Our method to calculate statutory rate payments assumes that the families would pay the full 40 percent after taking into account an \$11 million deduction. This method is imperfect because the first \$1 million of an estate that is subject to tax (*i.e.*, after the \$11 million deduction is applied) is taxed at a graduated rate from 18 to 40 percent. The size of most of the estates covered in this report renders that distinction virtually meaningless, however, because the vast majority of net worth covered in this report exceeds \$12 million. So we simply used the 40 percent figure.

The effective rate, which represents the average rate that estates pay in practice, is about 17 percent, according to recent analysis. Our method to calculate the effective rate for individuals covered in this report was to take their estimated net worth, subtract the \$11 million deduction, and take 17 percent of what remains.

Appendix II – Federal Reserve 2016 Survey of Consumer Finances (SCF) Data⁵⁸

Figure 2 – Median Net Worth U.S. Families

Table 2. Family median and mean net worth, by selected characteristics of families, 2013 and 2016 surveys						
Thousands of 2016 dollars, except as noted						
Family characteristic	Median net worth			Mean net worth		
	2013	2016	Percent change 2013–16	2013	2016	Percent change 2013–16
All families	83.7 (3.0)	97.3 (2.8)	16	551.3 (10.6)	692.1 (12.9)	26
Percentile of usual income						
Less than 20	6.6	7.0	6	66.6	77.5	16
20–39.9	28.8	30.0	4	116.7	120.5	3
40–59.9	57.1	88.6	55	169.9	227.8	34
60–79.9	166.3	170.6	3	361.8	370.7	2
80–89.9	296.9	396.5	34	651.1	800.5	23
90–100	1,161.0	1,629.0	40	3,430.7	4,526.6	32
Age of head (years)						
Less than 35	10.7	11.1	4	77.8	76.2	-2
35–44	48.2	59.8	24	358.0	288.7	-19
45–54	108.6	124.2	14	546.6	727.5	33
55–64	171.1	187.3	9	823.3	1,167.4	42
65–74	239.3	224.1	-6	1,089.8	1,066.0	-2
75 or more	200.8	264.8	32	665.3	1,067.0	60
Education of head						
No high school diploma	17.7	22.8	29	112.2	157.2	40
High school diploma	54.1	67.1	24	205.8	249.6	21
Some college	52.3	66.1	26	328.3	340.6	4
College degree	285.6	292.1	2	1,219.7	1,511.1	24
Race or ethnicity of respondent						
White non-Hispanic	146.4	171.0	17	727.8	933.7	28
Black or African-American non-Hispanic	13.6	17.6	29	102.1	138.2	35
Hispanic or Latino	14.2	20.7	46	111.0	191.2	72
Other or multiple race	42.5	64.8	52	383.6	457.8	19
Housing status						
Owner	201.5	231.4	15	807.3	1,034.2	28
Renter or other	5.5	5.2	-5	72.5	91.1	26
Urbanicity						
Metropolitan statistical area (MSA)	87.3	99.0	13	593.2	751.3	27
Non-MSA	70.1	87.9	25	269.4	276.3	3
Percentile of net worth						
Less than 25	†	.2	...	-13.8	-12.1	12
25–49.9	32.3	39.8	23	37.0	44.7	21
50–74.9	173.3	192.0	11	183.2	204.1	11
75–89.9	521.6	605.0	16	563.2	659.3	17
90–100	1,930.0	2,387.5	24	4,150.0	5,336.0	29

Note: Net worth is the difference between families' gross assets and their liabilities. See appendix for definitions of asset and liability categories used in the SCF, as well as details on standard errors (shown in parentheses below the first row of data for the means and medians).
† Less than 0.05 (\$50).
... Not applicable.

⁵⁸ 2016 SURVEY OF CONSUMER FINANCES (SCF), THE FEDERAL RESERVE (Sept. 27, 2017), <http://bit.ly/2xMZuy5>.

Appendix III – Trump Administration Net Worth Vs. Median U.S. Family Net Worth

Figure 3 – Number of Median Net Worth U.S. Families’ Combined Net Worth Equal to the Net Worth of Trump

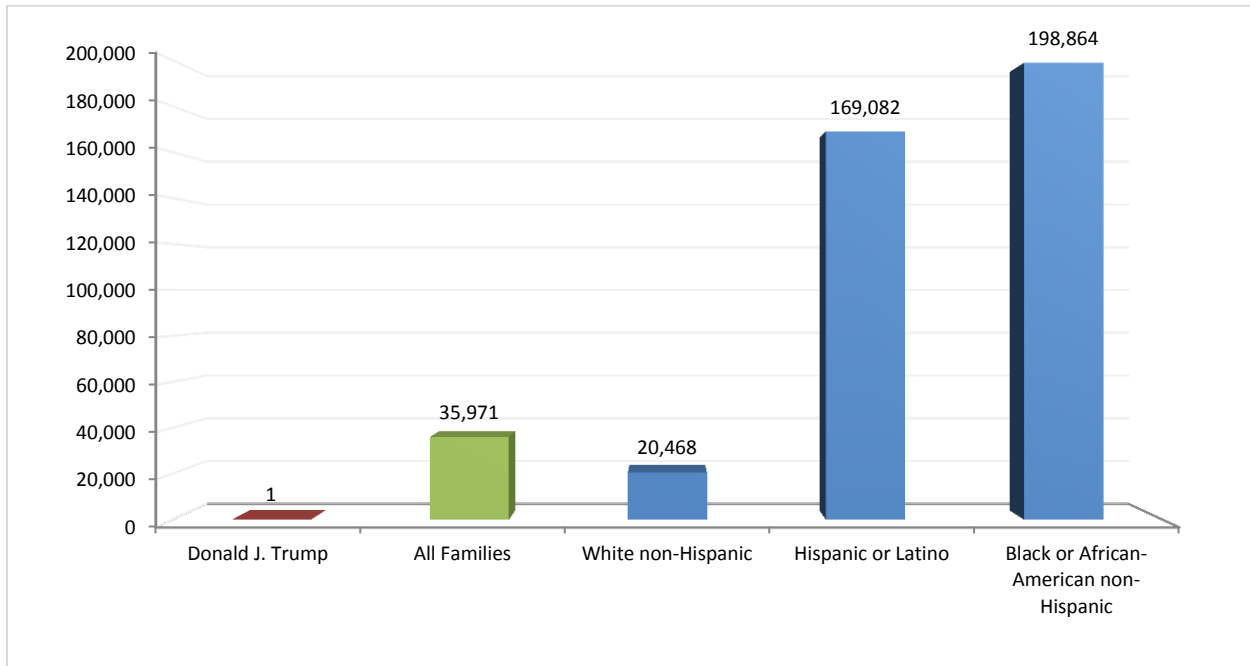


Figure 4 – Number of Median Net Worth U.S. Families’ Combined Net Worth Equal to the Net Worth of 15 Wealthy Administration Officials (Including Trump)

