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Can billionaires buy democracy?

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- The “wealthification” of politics has become a major problem in U.S. democracy, due, in part, to weakened campaign finance laws, allowing the ultra-rich to exert outsized influence on elections through massive, often undisclosed contributions.
- Income inequality in the U.S. significantly declined after World War II due to progressive taxation and public investment, but since the 1970s, the reversal of these policies has led to a return to the extreme inequality levels not seen since the early 1900s.
- Rising income inequality is undermining both political fairness and the American Dream, making it much harder for today’s young people to access the opportunities once available to earlier generations.

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“... ultimately, we can outvote wealthy people because they are a relatively small part of our society and a small part our electorate. But it takes a recognition about what is happening, about the wealthification, about the benefits that wealthy individuals have gotten out of our political system.”

Darrell West

Over the past 50 years, the U.S. has seen a sharp rise in both income inequality and the political influence of ultra-rich Americans. In this episode, host Katie Dunn Tenpas and Senior Fellow Darrell West discuss how changes in campaign finance laws—notably the Supreme Court’s 2010 ruling in *Citizens United v. FEC*—have allowed billionaires to pour unlimited money into elections. These shifts, along with tax breaks for the wealthy and weakened labor power, have tilted public policy in favor of America’s wealthiest people.

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TENPAS: Hi, I'm Katie Dunn Tenpas, a visiting fellow in Governance Studies at the Brookings Institution and the director of the Katzmann Initiative on Improving Interbranch Relations and Government. And this is season two of *Democracy in Question*, a podcast where we examine current events through the lens of America's political foundations, thinking about how recent events fit into the broader stream of democracy that runs throughout our history. You can find episodes of this podcast at Brookings dot edu slash DemocracyInQuestion, all one word.

On today's episode, we're tackling a question that's been sparking debate from Washington to Wall Street, from dinner tables to digital forums: can billionaires buy democracy? In a country founded on the principles of democracy, power is meant to rest in the hands of the people. But as wealth becomes more concentrated at the top, are the ultra-rich pulling the strings of our political system?

Two months into the second Trump administration, the American electorate has watched as private citizen and tech mogul Elon Musk, the richest person in the world, heads the agency and personnel slashing Department of Government Efficiency. Breaking from tradition, the electorate also saw President Trump invite a lineup of tech's wealthiest leaders to his inauguration: Mark Zuckerberg, Jeff Bezos, and Sundar Pichai, where they mingled alongside his cabinet. Meanwhile, other billionaire power players like Peter Thiel, Bill Gates, Charles Koch, George Soros, and J.B. Pritzker continue to shape policy in elections through their vast financial influence.

These observations lead me to wonder, are we witnessing a shift where money, not votes, determines policy and leadership? Today I hope to give you, the listener, a better understanding of American democracy's relationship with money, from the influence of big money in elections, to the legislative sway of industries like Big Tech, Big Pharma, and Wall Street.

We'll explore the potential consequences for politics of an increasingly wealth-driven America with Governance Studies Senior Fellow Darrell West. His scholarly interests include AI policy and the impact of disinformation on democracy, the growing political activism of billionaires, and the "wealthification" of politics. In fact, in 2014, the

Brookings Press published Darrell's book about billionaires titled, *Billionaires: Reflections on the upper crust*.

Darrell, thank you for joining the podcast today. I'm really eager to hear your thoughts on the growing political influence of billionaires and wealth generally in our democracy. This is a trend that raises important questions about governance, transparency, and opportunity. And I'd like you to just kick it off from whatever vantage point you think is most relevant.

[3:09]

WEST: Well, I think the key thing you mentioned in your introduction is that notion of wealthification. And you're right in that book that I published about 10 years ago on billionaires, I talked about how income inequality has increased in America. Like, we basically have to go back almost a full century to find as great a gap between the people who have a lot of money and the people don't have much money. So that is clearly a big trend that has fueled this concern about money in politics. There are more wealthy individuals, and they have much greater wealth than they've had in a long time.

And wealthification, I think, has affected many different aspects of our society. We've seen wealthy individuals buy up major media outlets. They are big donors to universities. They own major businesses. So, there are a few individuals who are in a very strong position to influence the course of public policy. And you mentioned the case of Elon Musk. Certainly, Trump has brought a number of billionaires into his administration, notably Musk, who's having an extraordinary impact on public policy. He and his team have gone into many agencies, cut staff, and changed the mission of many of those agencies. So I think a lot of people are concerned about this money in politics angle and with very good reason.

TENPAS: And tell me a little bit about this wealth gap. Do we see it in other democracies that are sort of similarly situated democracies? Is this kind of like a trend that develops over time or is there something unusual going on in the American political system?

[4:41]

WEST: I think wealth is a problem in many Western democracies. But there are a lot of other countries, like especially those in Europe, who limit the role of money in election campaigns. Fifty years ago, the United States actually did limit the roll of money in election campaigns. There were limits on how much money individuals could contribute to candidates.

But over the course of several decades, there were Supreme Court rulings that blew hole after hole in those campaign finance rules to the point where today, you know, people can give hundreds of millions of dollars to candidates, to parties, through political action committees, sometimes without even disclosing the contribution.

Other countries worry more about money and politics, so they have retained many more of those limits. And so it's harder for wealthy individuals to exercise influence through financial contributions just because there's better transparency in those systems, and there are more limits on their ability to support candidates and parties.

TENPAS: And looking back, would you say that the Citizens United case was the biggest turning point, or were there several cases before that that you would cite?

[5:48]

WEST: Citizens United certainly was a major turning point that really opened up the spigot. But there were several cases that basically dismantled what used to be a very effective campaign finance regime. You know, one of the stories of our current era and you know in keeping with the theme of this podcast one of the challenges for democracy is just how income inequality has grown and then people have used their wealth to try and influence elections as well as public policy.

So it's a trend that has developed in the United States. It's apparent in other countries around the world, but I think America has some particular challenges of money in politics.

TENPAS: And is it possible for you to give us just an overview historically of maybe the 20th century? Because, you know, at that time we had sort of the wealthy industrialists in this country whose names are on all kinds of libraries and other buildings. Can you just sort of give us a little time capsule of how this has changed over time?

[6:43]

WEST: I mean, you're right, if we go back a hundred years, there were the wealthy industrialists, the Rockefellers, the Carnegies, the DuPonts and others. And in the early 1900s, we had very high income inequality in America. But what changed was after World War II, the federal government changed its policies, and from roughly 1945 to 1976, income inequality actually dropped substantially in America in the sense that we had more progressive income taxes. There were estate taxes that made it more difficult to transfer wealth from generation to generation. There were public investments in education, healthcare, and transportation that kind of fueled the overall economy. We had a large manufacturing sector that provided well-paying jobs to the middle class.

And then, of course, what happened in 1976 to the current period is many of those policies, many of those investment priorities got reversed. Our income taxes lost the progressivity that we had in an earlier time period. Housing became more expensive. Going to college became more expensive. Paying for healthcare became more expensive. And just through a variety of different ways, the wealthy grew wealthier, and then the working class and middle class really stagnated.

There've been a number of studies kind of looking at income levels over the last 40 years and showing that for working class people, wages have completely stagnated. And so we basically have income inequality as high today as what it was 100 years ago.

TENPAS: Wow. And so when you were talking about the turning point being around 1976 through the present, I mean, that's a period of Democratic presidents and Republican presidents. That suggests that both parties were kind of susceptible to altering laws in ways that benefited wealthy people. Right?

[8:34]

WEST: The Reagan presidency I think was the crucial presidency in the United States in kind of the turning point on income inequality because Reagan cut taxes, but he also lowered the marginal rates on the highest earners. And so that was certainly important. He also cut spending on the social safety net, on investments in education, and investments in healthcare. And then this was matched by Margaret Thatcher in England and Helmut Kohl in Germany. And so it became an international thing where there was almost a competition among countries to cut taxes.

And so from 1980 through the current period, income inequality really escalated very substantially, and we ended up in a situation where if you had money, it was easy to get additional money. Many years ago when I was teaching at Brown University, I hosted Ted Turner and he had a line that always stayed with me. He always said, you know, the first million is the hardest, but once you have a million, it becomes easy to accumulate wealth after that because you know other rich people, you have inside information. And I thought it was a very honest statement for a guy who was very rich to basically admit that. And that has very much been the case.

TENPAS: Yeah, interesting. So then tell me then how and why these wealthy individuals have decided to get more involved in the political system. And, historically we know that many times ambassadorships would go to very wealthy people who had little or no foreign service experience, but because they made large donations to a presidential campaign, they often were in Paris or in London. So that's one example. And so we clearly have seen some evidence of this, but what's the trajectory look like for the influence of wealthy people in our system?

[10:16]

WEST: Well, there are political scientists who've written something they called the "investment theory of politics," which is investing money in the election process and in lobbying in terms of public policy can actually pay off. If you win, lots of benefits, either from that candidate or from policymakers in Congress.

And what a lot of wealthy individuals discovered was politics became a good investment. Even if you contributed a million dollars or 5 million or 10 million, if you were able to get a policy benefit that advantaged your company, or you got tax cuts that advantaged your company and you reaped \$100 million of benefits, then that \$5 or \$10 million contribution basically was a great investment on your part. And so a lot of wealthy people kind of saw that behavior, realized, hey, I can influence the process, I can get benefits for my company; we can get lower tax rates. And so more wealthy people came into the system.

I think the other thing that changed was there was a time when politicians could play one wealthy individual off against another and then basically divide and conquer. There was less of a class interest among billionaires. But as tax rates started to get lowered and there was deregulation, a lot of wealthy people, even if, you know, there are liberal, wealthy individuals—Warren Buffet, for example, who said, I should pay more taxes than my secretary. But a number of wealthy people came to realize that they liked low tax rates, and they liked deregulation. And regardless of whether they were Republican or Democrat, liberal, moderate, or conservative, they came to support those types of policies.

So that, I think, had a big impact on our public policy because as opposed to being able to divide and conquer the wealthy, they basically were more unified and they conquered the rest of us.

TENPAS: That's dispiriting. And the only way to reverse this is to pass legislation that would then create new campaign finance rules that would put more caps on contributions and things of that

[12:22]

WEST: The good news from the standpoint of democracy is there's more of us than them. I mean, ultimately, we can outvote wealthy people because they are a relatively small part of our society and a small part our electorate. But it takes a recognition about what is happening, about the wealthification, about the benefits that wealthy individuals have gotten out of our political system.

And we actually have started to see that. Like Obama, there were times where he would play a class card and basically say, you know, I wanna provide healthcare for average Americans even if wealthy people have to pay higher taxes. It turns out 70% of Americans actually like that idea, and that was part of Obama's success. Biden, when he was in office, did the same thing. Like, he increased taxes on wealthy individuals, and that actually was pretty popular among the country as a whole.

So there is a constituency for reform. There's a constituency for wealthy people paying higher taxes. There still is public support for a much better campaign finance system than we have. But it's hard when a country reaches a certain point where wealthy individuals are financing both parties, that it becomes harder to basically mobilize the vote in a more progressive manner.

And so we're kind of at a point now where we're at a turning point. And Trump is kind of the extreme example of this, of having brought so many billionaires into his administration, and several of them have companies that are benefiting from the policy changes that are taking place there. The question is, how is the country going to react to this? Is there going to be a backlash against that, that then will kind of enable a different type of public policy going forward?

TENPAS: And thinking about this, did the founders or any political philosophers, when they discussed democracy, worry about the heightened influence of monied individuals?

[14:21]

WEST: I mean, I think the founders had a different worry, like they were worried about us. They were worried about the majority. You know, literacy rates were pretty low in the early days of the founders. So they created a lot of political institutions that were actually not democracy in nature, but more of a republic. You know, the level of voting in the early days of the republic was very low because women didn't have the right to vote, African Americans were slaves—they didn't have the right to vote. A number of localities had a property requirement that in order to vote you had to own property. And of course, over the course of the last 250 years, kind of bit by bit, you know, we changed that. So it became more of a democracy over time.

But the money and politics angle kind of runs contrary to our general trend towards democratizing and now has created what I think could become a real crisis for democracy, that the money in politics has become so extreme. Like, Elon Musk spent almost \$300 million helping to elect Donald Trump president. That when you get that extraordinary of a contribution and it pays off politically, and then your companies start to benefit after that, that becomes a hard nut to crack.

TENPAS: And aren't there norms and disclosure requirements and other financial disclosures that government employees have to file so that they can show that their job is not interfering and promoting their causes? And because Elon Musk is a volunteer, those don't apply, or he's sort of a short-term government employee? I thought we had a lot of those kinds of things in place to prevent this.

[16:00]

WEST: There are lots of ethics rules and conflict of interest rules in the federal government. Musk has managed to bypass most of those because he is a special government employee. He's a temporary person who is working in government. And so he's not subject to those types of disclosure rules. But we all can see what's happening. There have been many newspaper stories about this. So I think everyone is aware of the problem.

I think the question is, how is the country going to react? Like, is there going to be a backlash against this kind of behavior and Trump and his party are going to pay a penalty down the road? Or are people basically feeling that America was in trouble, we needed a strong guy to come in and make these types of changes, and that they're willing to accept the kind of behavior that we're seeing?

TENPAS: And does the onus really fall on our political leadership, meaning that members of Congress should be the ones drawing attention to it so that the public can galvanize their opposition to this? And without leaders calling this out, it seems to me it's a lot to ask individuals to sort of figure out ways to communicate to their legislators that they're unhappy with us.

[17:10]

WEST: There certainly is an important role for leadership in this area. I mean, if you look at the early 1900s, there was a social movement that rebelled against the robber barons of that era and basically organized and won elections and then changed public policy to make America more egalitarian. We pretty much need that type of situation today.

But it's not just a matter of leaders. I mean social movements basically also have to work at the grassroots level. You know, people are disenchanted with politicians. They don't trust many people who are in Congress these days. So a social movement has to have leadership, but it also has to be able to mobilize at the grass roots level.

And the interesting thing is we're actually starting to see that. Like, we've seen Republicans go home and have town hall meetings, and there are hundreds of people who are showing up and complaining about the current direction in public policy. We're seeing protest rallies that are taking place. So there are growing signs that the public is disenchanted, people are getting engaged. But whether this forms a real social movement that can become politically powerful is still an open question. We don't know the answer to that yet.

TENPAS: Right, it seems like maybe now is a good time to sort of reignite the Occupy Wall Street movement, which occurred, what 10 to 15 years ago? Maybe if you could galvanize those kinds of same people, I mean it seems a similar type of dissatisfaction. Right?

[18:37]

WEST: It's a similar type of dissatisfaction, but that particular thing was completely ineffective. There were people who went out and protested. They had zero impact on public policy. So we don't want that to be the model because that is a failed model. But there are other examples of social movements and popular uprisings that have actually

been very effective. So people need to study history. Look at what worked, what didn't work, and try and figure out what are the best tactics to make a difference in this era.

TENPAS: Yeah, and and going back to sort of the late 1800s, like the 1880s or so, I think that was the point at which organized interests first started. So you had, like, the Grange movement and some of these organizations. And you were referring to a group at that time also that was galvanizing support for, what was the name of that organization? Do you recall?

[19:26]

WEST: In the early twentieth century the progressive movement had a number of different organizations, but it was a very broad-based movement. Farmers were upset about the railroads charging high rates to transport their crops, the Rockefeller company dominated energy and oil production at that time. So there was a very strong backlash that developed against those individuals, and we developed the income tax at that point in time; started to invest more in infrastructure. So there were a series of policy changes that allowed the country to move forward in a way that was more inclusive and allowed more people to benefit. So we need to learn from those successful examples from the past to figure out how to handle this particular moment.

TENPAS: And at that time, was it a coalition of specialized interests that all kind of mobilized for their own reasons, but together they were able to change policy?

[20:18]

WEST: Yes. Franklin Roosevelt in 1932 did a great job of bringing together a particular coalition that spanned the country and involved a number of different groups. And there are people who are trying to do that now. But the person who's actually been most effective has been Donald Trump. Like, he is the one who galvanized people, convinced many individuals across the country that the current government was corrupt and ineffective, and that he deserved a chance to make changes.

So whether he is able to usher in a permanent transformation in America, or if he becomes a temporary figure who tried to do certain things, did not succeed in doing that, and then paved the way for a very different type of movement, that's, I think, the interesting question about democracy right now.

TENPAS: And just to play Devil's Advocate, I mean, who's to say that having millionaires and billionaires involved in government, even if part of the reason they got their job was because of their financial contributions, I mean maybe their experience in the private sector, or in the Musk case in Silicon Valley, they clearly sort of were successful in a large way and so maybe they can transfer those skills to government. What's wrong with that?

[21:29]

WEST: There's nothing wrong with that. I'm not opposed to wealthy people going into government. There have actually been a number of wealthy people in the past who have gone into government and done really good things. But I think my baseline on evaluating these people is when they go into government, are they doing things that are good for us? Or are they just doing things that are just good for themselves? So I think the worry today is that we have a bunch of wealthy in government who are actually gonna pursue their own selfish interests, their business interests, their corporate interests, and are going to harm the well-being of the larger public. And so that's my personal concern.

TENPAS: And what should we be watching going into the midterm elections in 2026?

[22:14]

WEST: Well, in 2009 and 2010, we saw this thing called the Tea Party that arose, and it was really a grassroots movement in many different respects. Like, people were upset with Obama, they were upset with Obamacare, they thought Democrats were leading the country in a in a bad direction. And so people got organized. And in the 2010 election, Republicans made extraordinary gains.

And so the question for 2026 is, are liberals going to get their act together in the way that conservatives did in 2010? Build a grassroots movement, take on the incumbent party, and basically make gains in that election. I think there's a potential for that to happen, but we have fewer competitive elections in the House today. So I think in 2010 Republicans gained more than 40 seats in the House, which is a very large number. I think it's almost impossible for Democrats to pick up that kind of victory, but the Republican majority in the House is only three or four seats now, so Democrats don't have to pick up very many seats in order to regain control of that chamber.

TENPAS: Right, the margins are so tight.

WEST: Yes, and in the Senate, you know, it's 53-47, so Democrats have to pick up four seats there.

TENPAS: Yeah. And I hear that the prospects for the Democrats retaking the Senate are not looking good based on what we see right now.

[23:38]

WEST: The Senate will be challenging because many of the Senate races that are up are in Republican leaning states, and Democrats have also had a few of their incumbents basically announce that they're retiring. They want nothing more to do with this, which creates an opportunity for Republicans.

TENPAS: And if you're sort of one of these wealthy people that gave a lot of money to Donald Trump's campaign, aren't you right now trolling for congressional candidates or competitive seats to sort of try to sway in that particular state and drop a lot of money there? I mean, they don't sit still between presidential elections, right?

[24:12]

WEST: There certainly will be a lot of money going into Republican candidates. But keep in mind, Democrats in 2024 raised a lot of money. Kamala Harris was a great

fundraiser, although people have questioned whether she spent the money in the most effective manner, but fundraising was not a problem for Democrats the last time around. I don't think that will be problem in 2026 either.

TENPAS: And do you have any specific fears, just in terms of democracy down the road, let's say, you know, three presidential elections from now if this trend of increasing access for wealthy people in American politics continues, what do you most fear?

[24:51]

WEST: I think the bedrock worry is really income inequality and then the political power that can come from that. I think income inequality is a problem, not just in terms of politics, but just in term of well-being, opportunity, and the whole American Dream. I mean, I grew up on a dairy farm, so very much came from a working class background. But in the 1970s, you could get an education cheaply, you would get a job, you can buy your first house relatively inexpensively. Today, everything is much more expensive, and so it's harder for people to realize the American Dream. In my view, I want us to get back to the level of opportunity that I had when I was growing up 50 years ago. It's really hard for young people today to have the kind of opportunities that I have had.

TENPAS: So I usually like to close the episode by asking a question. The question is, imagine you're teaching high school students about democracy. What's one lesson you'd want them to leave your classroom with?

[25:49]

WEST: The lesson I want them to leave the classroom with is that politics matters and their personal involvement matters. I mean, we have a lot of people today who are cynical about politics, think all politicians are corrupt, and so therefore then they don't want to participate in the process. They don't wanna vote. They don't wanna work in campaigns. They don't wanna contest public policy issues.

And when I talk to young people, which I still do, I try and tell them politics matters. I review the history of the United States over the last 100 years and, you know, what has happened in terms of economic opportunity, and try and show them how it actually has mattered, that we made concrete choices first to lower income inequality and then we made other choices that ended up increasing inequality. We actually know how to decrease it, if that's what we as a country decide that we want to do.

It's important for them to be involved with that, to understand that they actually do have control. I think a lot of people today are feeling a lack of control and a sense of hopelessness because there's so many big problems facing the country as well as the world. But people still have agency. And I try and tell young people, you can control your own future, you can influence the future of the country, don't sit on the sidelines.

TENPAS: It's interesting you mentioned that because in a prior interview, I interviewed Ben Wittes, and his message was similar, that being a citizen in the United States is not just voting. There's so much more and so many ways for you to get involved, and it's really not just not one day, every four years or every two years, that it really should be this, where you are much more invested in your community and your surroundings in a way that will influence politics.

[27:31]

WEST: I think Ben is completely right on that, but I would go one step further by saying there are a lot of people who get upset about something and so they tweet, or they post something on social media, and they think they've engaged in protest then. A tweet is not a protest movement. People need to understand that a protest movement basically means getting really involved and kind of fighting for what you believe in. I think too many people sit on the sidelines and complain on social media and they think they're involved in the process. It takes a lot more than that.

TENPAS: Right, right. Well, thank you so much for your time today. That was a really interesting discussion. Lots to think about, for sure. Thank you.

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WEST: Thank you very much.

TENPAS: *Democracy in Question* is a production of the Brookings Podcast Network. Thank you for listening. And thank you to my guests for sharing their time and expertise on this podcast.

Also, thanks to the team at Brookings that makes this podcast possible, including Fred Dews, producer; Daniel Morales, audio engineer and video manager; the team in Governance Studies including associate producer Adelle Patten, plus Antonio Saadipour, and Tara Moulson; and our government affairs and promotion colleagues in the Office of Communications at Brookings. Shavanthi Mendis designed the beautiful logo and show art.

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I'm Katie Dunn Tenpas. Thank you for listening.

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