Private Equity: By the Numbers

The private equity (PE) industry is continuing to grow at a rapid pace.
- PE employs 11.7 million people – nearly 3 million more than just two years ago.
- There are more than 18,000 PE funds – a nearly 60% increase in just the last five years.
- PE currently has $4.4 trillion in assets under management, including $1 trillion of uninvested capital.
- The size of these funds has more than doubled since 2016.

As a result of this growth, PE touches virtually every corner of society…
- PE investments in health care have increased more than 20-fold over the last 20 years, with investments spanning from nursing homes, to hospitals, to ambulatory services.
- PE has invested at least $1.1 trillion dollars in the energy sector over the last decade, with 80% of that in fossil fuels.
- About half of all daily newspapers in the country are owned by PE or hedge funds.
- Three PE firms control more than 90% of the prison telecom market, and they’re also big players in prison health care, commissaries, and food service.

…and the costs to consumers, families and communities have been massive.
- PE is responsible for killing more than 1.3 million retail jobs over the last decade.
- When PE firms buy out public companies, employment shrinks 13% in the two years after the buyout.
- Between 2015-2019, nearly two-thirds of retail companies that went into bankruptcy were PE owned.
- When PE takes over a nursing home, mortality rates jump by 10%, implying that PE ownership causes more than 1,000 additional deaths every year, on average, compared to non-PE owned nursing homes. Bills for patients also rise more than 10%.
- PE ownership of housing is associated with rising rents, higher rates of eviction, and worse quality.
- PE buyouts of private colleges lead to higher tuition and student debt, lower graduation rates and graduate earnings, and more law enforcement actions for fraud.
- Bankruptcy rates among companies purchased in leveraged buyouts are 10 times higher than non-PE backed companies.
- PE has helped drive the growth in income inequality since 1980. One study found that there are more PE managers who make at least $100 million annually than investment bankers, top financial executives, and professional athletes combined, while another found the number of PE multibillionaires rose from three in 2005 to 22 in 2020.
- Private equity is helping to drive market concentration in health care: KKR and Blackstone control 30% of the market for outsourced ER doctors; PE owns two of the three medical air transport companies that together control two-thirds of that market.

Meanwhile, pension funds and other PE investors are being fleeced.
- The typical PE fund has failed to outperform the stock market since at least 2006…
  - …yet the four biggest PE firms collected $230 billion in performance fees over a 10-year period. “This wealth transfer from several hundred million pension scheme members to a few thousand people working in private equity might be one of the largest in the history of modern finance.”
- In a recent survey of limited partners (which include investors like public pension funds), nearly half of respondents reported that more than half of the private funds they had invested in over the last year had contractually modified or reduced their fiduciary duties.
- The SEC found that about 50% of PE firms it had audited had not shared the fees it collected from portfolio firms with limited partner investors, even when they are required to share them.