SCOTT BESSENT

Research & Source Document

Supporting research for

“Treasury Secretary Scott Bessent and the K-Shaped Economy”

[Article Link]

Prepared August 14, 2026

Independent source research conducted from the published draft as the research guide.

Sources

Curated sources supporting the article's factual claims, examples, and conclusion. Headline and date are the link.

- The closing of the U.S. economy's K-shaped gap — August 11, 2026
- Historical Income Tables: Income Inequality — U.S. Census Bureau
- HINC-05: Household Income in 2004 — U.S. Census Bureau
- Distributional Financial Accounts — Federal Reserve — updated June 18, 2026
- Distribution of Household Wealth in the U.S. since 1989 — Federal Reserve — updated June 18, 2026
- Scott Bessent — U.S. Department of the Treasury biography
- NBER study discussing George Soros and the 1992 sterling crisis
- Trump brings in more than $6.8 million from Greenville fundraiser — February 21, 2024
- Trump says $50 million raised from biggest fundraiser yet — April 6, 2024
- Scott Bessent — Executive Branch Public Financial Disclosure (OGE Form 278e) — December 28, 2024
- Scott Bessent — Financial Disclosure database — ProPublica
- Scott Bessent nomination — confirmed 68–29 — January 27, 2025

Associated Timeline

Selected milestones relevant to Bessent's investment background, the 1992 sterling crisis, political fundraising, Treasury appointment, and the 2026 K-economy claim.

Date	Development
1991	Bessent joins Soros Fund Management. Treasury's official biography says he served as managing partner of SFM's London office from 1991 to 2000.
Sept. 1992	Soros Fund Management takes a massive short position against sterling during the ERM crisis. Bessent later describes himself as the analyst on the ground in the UK; Stanley Druckenmiller was portfolio manager and George Soros the risk manager.
Sept. 16, 1992	Britain suspends sterling's participation in the Exchange Rate Mechanism on Black Wednesday. Soros Fund's sterling trade earns roughly $1 billion.
2000	Bessent leaves his first long tenure at Soros Fund Management.
2011–2015	Bessent returns to Soros Fund Management and serves as Chief Investment Officer before founding Key Square Group.
Feb. 20, 2024	Bessent co-hosts a Greenville, South Carolina Trump fundraiser reported to have raised more than $6.8 million.
Apr. 6, 2024	Bessent is listed among co-hosts of the Palm Beach Trump fundraiser reported to have raised $50.5 million.
Dec. 28, 2024	Bessent electronically signs his nominee OGE Form 278e public financial disclosure.
Jan. 27, 2025	U.S. Senate confirms Bessent as Treasury Secretary, 68–29.
Aug. 2026	Bessent says the K-shaped economy is "definitively over," while contemporary analyses show a mixed picture: some convergence in spending/wage measures but persistent wealth and income disparities.

The K-Shaped Economy: Measures Used

The article uses two different kinds of evidence: (1) current household-condition measures comparing December 2024 with 2026, and (2) long-run distribution measures showing how income and wealth are divided between groups. These are related but not identical concepts.

Income-gap calculation: bottom 20% vs. top 5%

Source basis. U.S. Census Bureau historical household-income tables report the share of aggregate household income received by each fifth of households and by the top 5 percent.

How the article's ratio works. The top 5% contains one-quarter as many households as the bottom 20%. Therefore, comparing the average income per household in the two groups requires adjusting for group size: **(Top-5% income share ÷ 5) ÷ (Bottom-20% income share ÷ 20).**

Interpretation. A result such as "$25.76" means that for each $1 of average household income represented in the bottom-fifth group, the average household in the top 5% receives about $25.76. A result of $30.34 means the relative gap is larger. Moving from 25.76 to 30.34 is a 17.8% increase in the ratio.

Measure	2004	2024	Change
Top-5% / Bottom-20% average-income ratio	$25.76	$30.34	+17.8%

Wealth distribution: December 2024 to 2026

Federal Reserve Distributional Financial Accounts provide quarterly estimates of household wealth by percentile group. The series runs through 2026:Q1. This allows the article to test whether the wealth gap continued to narrow or widen after December 2024 rather than relying only on the 2004–2024 income comparison.

The Federal Reserve's 2026:Q1 table reports approximately $63.23 trillion of net worth for the top 10% (top 0.1% + 99–99.9% + 90–99%) versus about $4.27 trillion for the bottom 50%. The article's chart should retain the exact calculation method used for its $1:$27.70 figure so readers can reproduce it.

Bessent, Soros Fund Management & the 1992 Pound Crisis

What is directly established

– U.S. Treasury's official biography states that Bessent was managing partner of Soros Fund Management's London office from 1991 to 2000 and later served as SFM's Chief Investment Officer.

– In a later interview recounting 1992, Bessent described the division of roles as: he was the analyst, Stanley Druckenmiller was the portfolio manager, and George Soros functioned as the risk manager. Bessent said he was running the UK office and was on the ground in Britain.

– Bessent's housing and mortgage analysis focused on the vulnerability created by Britain's floating-rate mortgage structure. That analysis contributed to the economic case that the Bank of England could not indefinitely raise rates enough to defend sterling without severe domestic consequences.

– Soros Fund Management built a very large short position against sterling. The commonly cited actual sterling position is roughly $10 billion.

– Britain withdrew sterling from the ERM on September 16, 1992. Soros Fund Management earned roughly $1 billion on the trade.

NBER finding relevant to causation

The NBER research cited in the article discusses **"the role of a large actor—George Soros—in triggering the crisis."** The study also describes Soros as attempting through his own sales to precipitate sterling's collapse, while cautioning that the underlying economic fundamentals may have produced the crisis even without his actions.

Defensible article characterization: Soros Fund's enormous short position can reasonably be described as having helped trigger or intensify the sterling crisis. It should not be described as the sole cause of Britain's withdrawal from the ERM.

Bessent's role: wording boundary

Strongly supported: Bessent's analysis helped build the case for the trade and he was a key London-based participant in the 1992 operation.

Do not attribute the original short idea solely to Bessent. Bessent has credited Stanley Druckenmiller with the idea to short sterling, while Soros pushed for a much larger position.

Political Fundraising & Financial Position

Trump fundraising

ABC News reported that Bessent co-hosted the February 2024 Greenville fundraiser that raised more than $6.8 million. Reuters reported that Bessent was among the co-hosts of the April 2024 Palm Beach fundraiser that raised $50.5 million.

Combined amount raised at those two co-hosted events: $57.3 million+.

Article wording of "$55 million+ through fundraisers" is therefore conservative for these two documented events alone. Co-hosting an event is not the same as personally soliciting every dollar raised at the event.

Public financial disclosure

Bessent's nominee OGE Form 278e was electronically signed December 28, 2024. ProPublica's structured compilation of the filing reports total disclosed asset values of approximately $521 million to $784 million-plus.

Exact-dollar disclosed income item	Amount
Key Square Group LP — guaranteed payment	$1,000,000
Kemnay Services Limited — consulting fee	$250,000
Key Square Group LP — management fees / incentive allocations / dividends	$2,800,000
Ghisallo Group LP — management fees	$128,000
Ghisallo / related incentive fees	$418,000
Other exact-dollar Key Square-related income identified in filing	$29,555
Total of these exact-dollar items	**$4,625,555**

Additional income disclosed in ranges. The filing also reports capital gains, dividends, rental/royalty income and interest in ranges. Several individual entries carry upper bounds of $1 million. The safest summary is that these ranged entries could add millions more; the form does not establish the exact realized amount within each range.

Currency-market exposure immediately before government service

The disclosure reports open positions in USD/CNH, EUR/USD and USD/JPY within Key Square-related holdings, including entries valued at $50 million or more at the fund level. These are evidence that large-scale international currency exposure remained part of Bessent's investment world immediately before government service. They do not, by themselves, establish the direction of each currency bet.

Appendix A — Scott Bessent Public Financial Disclosure

Document: Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)

Filer: Scott Bessent — nominee for Secretary, Department of the Treasury

Electronic signature date: December 28, 2024

Purpose: The report is required for Senate-confirmed presidential nominees under federal public-financial-disclosure rules. It reports positions, employment assets and income, compensation sources, other assets and income, and liabilities using the exact-dollar amounts or value/income ranges required by the form.

Open the complete official Bessent OGE Form 278e

Key entries used in the article

– **Reported assets:** $521 million–$784 million-plus (structured compilation of the filing).

– **Exact-dollar income subtotal:** $4,625,555 from the specific exact-dollar entries summarized in this research document.

– **Additional ranged income:** Multiple capital-gain, dividend, rental/royalty and interest entries; several have upper bounds of $1 million.

– **Large currency positions:** USD/CNH, EUR/USD and USD/JPY open positions appear in Key Square-related holdings; some fund-level entries are reported at $50 million or more.

– **Large liabilities:** The filing reports, among other liabilities, a Goldman Sachs margin account of more than $50 million and a Bank of America exercised line of credit of $5 million–$25 million.

Research note

This appendix summarizes the portions of the public disclosure relevant to the accompanying article. The linked OGE filing is the controlling source for the full report and should be used if a reader wants to inspect every disclosed asset, income entry, transaction, or liability.