Executive Excess 2022

The CEOs at America's largest low-wage employers are grabbing huge raises while workers and consumers are struggling with rising costs

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Co-authors:

Sarah Anderson directs the Global Economy Project and co-edits Inequality.org at the Institute for Policy Studies. She has co-authored the more than 20 previous IPS annual *Executive Excess* reports.

Sam Pizzigati, an IPS associate fellow, co-edits Inequality.org. His latest book: ***The Case for a Maximum Wage***.

Research assistance: Brian Wakamo.

Cover design: Sarah Gertler.

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Twitter and Facebook: @inequalityorg

Institute for Policy Studies
1301 Connecticut Ave. NW, Suite 600
Washington, DC 20036
202 234-9382
www.ips-dc.org, Twitter: @IPS_DC
Facebook: http://www.facebook.com/InstituteforPolicyStudies
Email: sarah@ips-dc.org

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Key findings

We examined compensation over the past year at the 300 publicly held U.S. corporations that had the lowest median wages in 2020. Our analysis reveals several disturbing dominant trends.

1. The CEO-worker pay gap at low-wage corporations grew even wider in 2021

- At 106 of the 300 firms, median worker pay did not keep pace with the 4.7 percent average U.S. inflation rate in 2021.
- The average gap between CEO and median worker pay in our sample jumped to 670-to-1, up from 604-to-1 in 2020. Forty-nine firms had ratios above 1,000-to-1.
- CEO pay at the 300 firms increased by $2.5 million to an average of $10.6 million, while median worker pay increased by only $3,556 to an average of $23,968.

2. Low-wage firms that cut worker pay in 2021 spent billions on stock buybacks

- At the 106 companies in our sample where median worker pay did not keep pace with inflation, 67 spent resources buying back their own stock, a maneuver that inflates executive stock-based pay. These repurchases totaled $43.7 billion.
- The biggest buyback firms turned out to be retailers Lowe's, Target, and Best Buy. The typical worker at these chains lost ground while their bosses were blowing mega-billions on stock buybacks.
- With the $13 billion Lowe's spent on share repurchases, the company could have given each of its 325,000 employees a $40,000 raise. Instead, median pay at the company fell 7.6 percent to $22,697.

3. Our tax dollars are fueling corporations with extreme CEO-worker pay gaps

- Of the 300 companies in our sample, 40 percent received federal contracts between October 1, 2019 and May 1, 2022. The combined value of these contracts over this three-and-a-half year period: $37.2 billion.
- At these low-wage contractors, the average CEO-worker pay ratio hit 571-to-1 in 2021. Only 6 of the 119 contractors — 5 percent — had pay gaps of less than 100-to-1.
- Maximus, a company that manages federal student debts and Medicare call centers, took in more federal contracts than any other low-wage firm in our sample, with $12.3 billion over the 42-month period we examined. In 2021, Maximus CEO Bruce Caswell collected $7.9 million in compensation, 208 times the firm's median paycheck. Caswell earned 36 times the salary of the officials who direct the agencies that awarded the contracts.

- Amazon, the second-largest federal contractor in our sample, amassed $10.3 billion, with most of this coming from providing web services for the National Security Agency. The company has reportedly received additional, classified defense contracts. Amazon's new CEO raked in compensation worth $212.7 million last year, 6,474 times the company's median pay and 961 times the secretary of defense's salary.

4. Policy solutions for runaway CEO pay do exist — and enjoy broad support.

- Some 62 percent of Republicans and 75 percent of Democrats have become so fed up with Corporate America's ongoing executive excess that they would support an outright *cap* on CEO pay relative to worker pay, regardless of company performance, according to a recent Just Capital poll. Public support for capping executive pay has been building ever since a 2016 Stanford Business School survey found 52 percent of Republicans and 66 percent of Democrats favoring pay limits.

- Many more moderate CEO pay reforms have also gained traction in recent years. These reforms focus in on three key areas.

  CEO pay ratio incentives for federal contractors: President Biden could leverage the power of the public purse against outrageous CEO compensation by making it hard for corporations with huge pay gaps to land lucrative government contracts. The Patriotic Corporations Act could serve as a model. This bill would grant preferential treatment in contracting to firms with pay ratios of 100 to 1 or less, among other benchmarks, including neutrality in union organizing.

  Excessive CEO pay tax: Laws to hike corporate taxes on companies with wide CEO-worker pay gap are now raising revenue in two cities, San Francisco and Portland, Oregon. Similar legislation is pending before the U.S. House and Senate and came into play during the Build Back Better negotiations. Higher tax rates on companies with wide CEO-worker pay gaps create an incentive to both rein in executive pay and lift up worker wages, all while generating significant new capital for vital public investments.

  Stock buybacks restrictions and taxes: President Biden's latest federal budget proposal would ban top executives from selling their personal stock for a multi-year period after a buyback, preventing CEOs from timing share repurchases to cash in personally on a short-term price pop they themselves artificially created. He could use executive authority to advance this proposal by imposing such a ban on federal contractors. Biden also supports a 1 percent excise tax on share repurchases, a levy that would generate an estimated $124 billion over 10 years. Before 1982, we should note, federal regulators considered buybacks a form of stock manipulation and banned them.

Introduction

In 2020, the first year of the pandemic, corporate boards zealously protected their much more than ample CEO paychecks, even as their workers lost jobs, income, and lives. Last year's *Executive Excess* documented this trend. We found that more than half of our nation's 100 largest low-wage employers moved bonus goalposts or made other rule changes to ensure huge payouts for chief executives. On average, the CEOs at these rule-rigging firms pocketed 29 percent raises while their median worker pay fell by 2 percent.

This 28th edition of *Executive Excess* extends the pandemic's pay disparity story into 2021. Last year, with the economy in recovery mode, corporate leaders shifted to new CEO pay-inflating tactics. Many corporations spent record sums on stock buybacks. Others high-handedly used the Covid crisis as a cover for jacking up prices to consumers. Both maneuvers bloated executive stock-based pay and made it easier for top corporate brass to score massive bonuses.

So much for the hope that the heroic, pandemic-time sacrifices of low-wage workers would lead to a corporate rethinking on pay equity. Instead, executive compensation has climbed further into the stratosphere while inflation has stripped away the earnings gains of most U.S. workers.

Our extreme and rising corporate-pay disparities are driving gender and racial disparities ever wider. Women and people of color make up a disproportionately large share of today's low-wage workers and a tiny share of corporate leaders. In 2021, less than 1 percent of *Fortune* 500 corporations employed Black CEOs, and just 8 percent of these firms had women at their helm.

Extreme corporate pay gaps also mean bad news for business. A Harvard Business School study, for instance, has found that companies with overpaid CEOs and underpaid workers see significantly higher levels of employee dissatisfaction and turnover, as well as lower sales.

Executive excess, overall, has Americans across the political spectrum fed up. One just-released poll shows that 87 percent of us see the growing gap between CEO and worker pay as a problem for the country. An astounding 62 percent of Republicans and 75 percent of Democrats favor a *cap* on CEO pay relative to worker pay, regardless of company performance.

Our annual executive compensation report this year ends with policy solutions more moderate than an outright cap on executive compensation. These fixes include procurement and tax reforms that could encourage narrower CEO-worker pay gaps and, at the same time, boost meaningful investments in human capital over foolishly wasteful stock buybacks.

The CEO-worker pay gap at low-wage corporations grew even wider in 2021

In 2021, a tight labor market created a rare moment of leverage for low-wage workers. For once, average wages actually rose for those on the bottom rungs of our national economic ladder. But Corporate America, in the midst of this rare moment, took no great leap forward to pay equity.

This report zeroes in on compensation trends at the 300 publicly held U.S. corporations that reported the lowest median worker wages in 2020. Why this sample? Since 2018, the Securities and Exchange Commission has required publicly held firms to annually report both median worker pay — the amount of compensation that goes to the employee who earns *less* than half a company's workers and *more* than the other half — and the ratio between CEO pay and that median. These median pay numbers offer us a revealing look at how well or poorly firms are sharing their rewards.

The conventional wisdom holds that low-wage workers have benefited economically during the pandemic. But despite all this pay-increase buzz, at over a third of Corporate America's 300 low-wage firms — 106 in all, 35 percent — median worker pay did not keep pace with the 4.7 percent average U.S. inflation rate in 2021. At 69 of the firms, typical worker pay actually dropped last year in nominal terms.

By contrast, at the corporate top end, CEO pay last year soared 31 percent to an average $10.6 million at these same 300 low-wage firms. This stunning increase drove the average gap between CEO and median worker pay at these firms to 670-to-1, up from 604-to-1 in 2020. At 49 of the 300 firms, pay ratios topped 1,000-to-1.

Median worker pay at these companies, a figure based on a company's global workforce, averaged $23,968 in 2021. In our sample, 70 of the 300 companies voluntarily revealed that their median worker labored outside the United States.

The 300 Publicly Held U.S. Corporations With the Lowest Median Worker Pay

	CEO pay		Median worker pay		CEO-worker pay ratio	
	2021 average	Change over 2020	2021 average	Change over 2020	2021 average	Change over 2020
Average	$10,599,096	31%	$23,968	17%	670 to 1	11%

Source: Most recent corporate proxy statements as of May 2, 2022. See Appendix 1 for details on all 300 firms.

The three highest-paid CEOs in our sample of low-wage corporations:

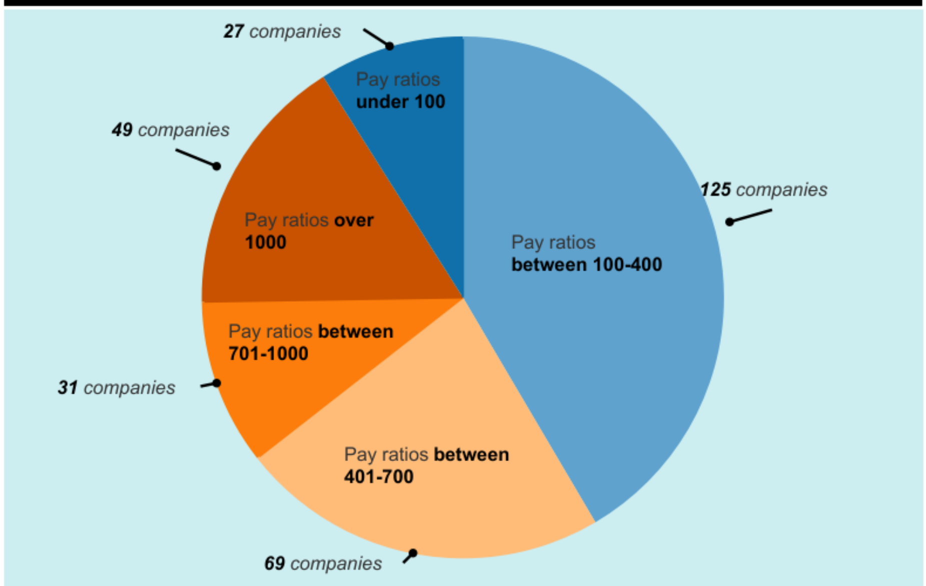
Amazon: The new leader at America's largest online retailer, Andy Jassy, raked in $212.7 million last year, mostly in stock awards, making him the highest-paid CEO in our corporate low-wage sample. Jassy's pay amounts to 6,474 times the $32,855 take-home of Amazon's most typical 2021 worker. The company spent millions of dollars in 2021 fighting union campaigns at several of its warehouses, including one in New York's Staten Island, a battle that has won workers at a U.S. Amazon worksite official union representation for the first time ever.

Estee Lauder: Cosmetics CEO Fabrizio Freda enjoyed a 258 percent pay increase in 2021, raising his annual compensation to $66.0 million. Freda's haul came to 1,965 times as much as the firm's $33,586 typical employee pay. Over the past year, Estee Lauder has slashed its global workforce from 75,000 to 62,000. The firm recently reached an out-of-court settlement with make-up artists who lost their jobs at Lauder's MAC subsidiary after being asked to participate in a video interview assessed by an algorithm. None of the firm's U.S. workers have union representation.

Penn National Gaming: Gambling CEO Jay Snowden pulled in the third-largest paycheck in our sample. His $65.9 million payout equaled 1,942 times the company's $33,930 median pay. Penn National employs 21,973 people, at worksites that range from the Tropicana hotel and casino in Las Vegas to the Hollywood Casino chain. The company is also in the process of purchasing Barstool Sports, whose scandal-plagued CEO has repeatedly threatened to fire employees attempting to unionize. Less than 20 percent of Penn's staff are unionized.

Nearly All Low-Wage Employers Have Huge CEO-Worker Pay Gaps

The 300 large firms with the lowest median worker pay, by pay ratio group



Source: IPS analysis of corporate proxy statements (2021)

Low-wage corporations that cut worker pay spent billions on stock buybacks

U.S. corporations spent record sums on stock buybacks in 2021. This legal form of stock manipulation artificially inflates the value of a company's shares — and the value of executives' stock-based pay.

A Securities and Exchange Commission investigation has found that executives who cash in their own stock to take advantage of a buyback spike typically find themselves leading companies that underperform comparable firms over the long term. This outcome should hardly be surprising, since money spent on buybacks will always be money *not* spent on productivity-boosting investments, everything from employee training to research and development.

Our buyback research directed special attention, within our sample of 300 low-wage corporations, to the 106 firms where median worker pay did not keep pace with inflation in 2021. Did the workers at these 106 companies lose ground to inflation because their employers lacked the wherewithal to make sure wages kept up with rising prices? Hardly. In fact, 67 of these firms spent many millions last year buying back their own shares. These repurchases totaled $43.7 billion.

The Corporations That Spent the Most on Stock Buybacks After Cutting Median Pay

	Median worker pay, 2021	change in worker pay, 2020-21	CEO pay, 2021	Pay ratio, 2021	Stock buybacks, 2021 ($ billion)	Total employees	Buyback expenditure per employee
Lowe's	$22,697	-7.6%	$17,871,716	787	$13.0	325,000	$40,000
Target	$25,501	3.9%	$19,758,766	775	$7.2	450,000	$16,000
Best Buy	$29,999	-1.8%	$15,631,157	521	$3.5	105,320	$32,270

Source: Corporate proxy statements and 10-K reports. See Appendix 1 for compensation details on all 300 firms in our sample.

Among the corporations in our sample, big box retailers spent the most on stock buybacks while cutting median pay:

Lowe's: This home improvement chain's median worker compensation fell by 7.6 percent to $22,697 in 2021. In the same year, CEO Marvin Ellison decided to spend more than $13 billion on stock buybacks. If those funds had instead been divided among the company's 325,000 employees, Lowe's could have given each worker a $40,000 raise.

The big-box retailer apparently never considered anything remotely close to that option. Indeed, Lowe's chief financial officer told investors last fall that the decision to splurge on buybacks came after deciding the firm was already "investing as much as the company can absorb."

Lowe's CEO Ellison raked in $17.9 million last year, 787 times as much as the firm's median pay. The company's 2021 buybacks have so far paid off handsomely — for CEO Ellison. His personal's holdings of Lowe's stock were worth more than $120 million as of March 21, 2022, up from $58 million the year before.

Target: The company blew $7.2 billion on buybacks in 2021, enough to give all 450,000 Target employees a $16,000 raise. Instead, the company chose to manipulate its share price to create windfalls for executives and wealthy shareholders.

CEO Brian Cornell made $19.8 million last year, 775 times more than Target's $25,501 median pay. In May 2022, Target employees at one Virginia store petitioned for a union election, and union drives are reportedly also taking root in several other Target stores. Target workers are seeking higher wages for long-term employees and improvements in working conditions.

Best Buy: This consumer electronics retailer last year spent $3.5 billion repurchasing company stock, a sum that could have covered a $32,270 raise for each of Best Buy's 105,320 employees. Instead, median pay at Best Buy dropped 1.8 percent to $29,999.

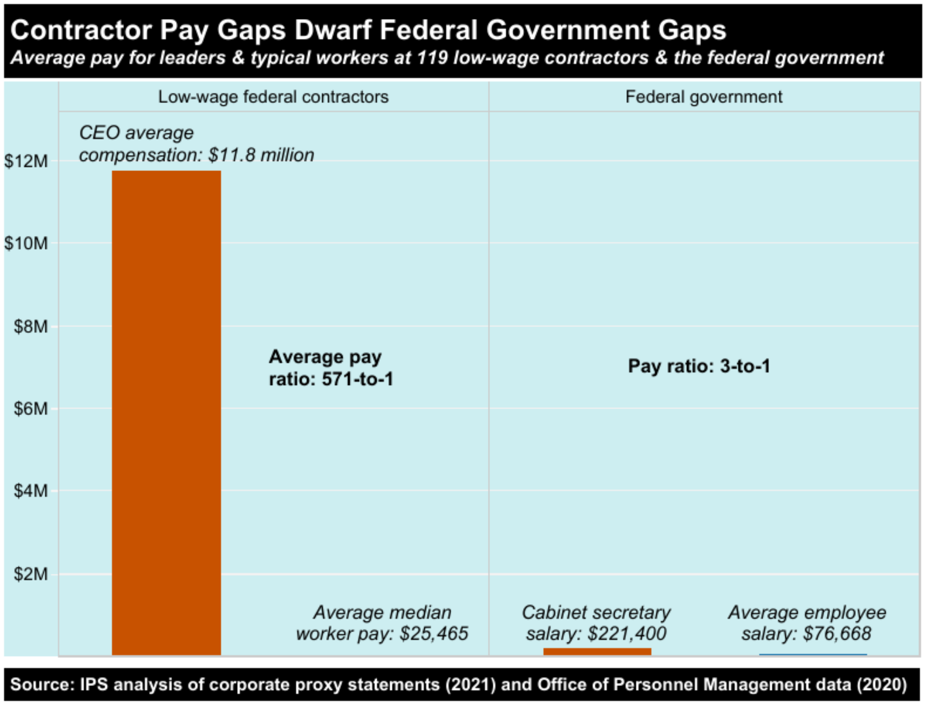
CEO Corie Barry, meanwhile, enjoyed a 30 percent raise to $15.6 million, 521 times her typical worker's pay. Her 2021 haul included a $4.7 million cash bonus after she laid off 5,000 employees, most of them full-time workers. The layoffs had become necessary, she told analysts, because the company had "too many full-time and not enough part-time employees." The company does not provide part-timers benefits or guaranteed hours. The latest Best Buy annual report lists unionization among various potential risks that could "impair the viability of our operating model."

Our tax dollars are fueling corporations with extreme CEO-worker pay gaps

Corporate America's perverse pay practices become even more disturbing when we consider another often overlooked reality: Ordinary Americans are supporting our inequitable corporate economic order through the hundreds of billions of dollars in taxpayer-funded contracts and subsidies that flow every year to for-profit businesses. Of the 300 companies in our sample, 119 — 40 percent — received federal contracts between October 1, 2019 and May 1, 2022. These contracts totaled $37.2 billion. At these low-wage contractors, the average CEO-worker pay ratio sat at 571-to-1 in 2021. Only 6 of the 119 firms, just 5 percent, had pay gaps of less than 100-to-1. CEO pay among these 119 contractors last year averaged $11.8 million.

Paychecks for contractor CEOs dwarf the paychecks of government executives

CEO pay apologists regularly argue that corporate leaders deserve their massive compensation packages because they bear enormous responsibilities and must take extraordinary risks. This argument quickly falls apart when we compare CEOs at major contractors with the government officials ultimately responsible for their contracts. The U.S. secretary of defense, for instance, manages the country's largest workforce — more than 2 million employees — and makes life-and-death decisions on a daily basis. And yet this defense secretary and other Biden cabinet members make just $221,400 per year, less than three times as much as the $76,668 average federal employee annual pay.



President Biden took an important step towards narrowing pay gaps within federal contracting companies when he set a $15 per hour minimum wage for certain of these firms, mainly construction companies and service providers. This wage increase does not apply to either manufacturing firms producing goods for the government or several other categories of contractors.

The Biden administration could do much more to leverage the power of the public purse to advance pay equity. The only current restraint on top-level federal contractor pay remains a cap on how much contactors can expect the federal government to reimburse them for chief executive compensation. In 2021, that cap stood at $568,000 per executive. But this regulation in no way curbs the windfalls that contracts can generate for companies and their top executives. Lucrative government deals boost corporate earnings and share prices, and those increases, in turn, inflate CEO pay. In 2021, General Dynamics, a defense contracting giant that relies on the federal government for 70 percent of revenue, awarded their CEO $23.6 million in overall compensation.

The Low-Wage Corporations with the Largest Federal Contracts

Company	Median worker pay, 2021	CEO pay, 2021	Pay ratio, 2021	Federal contracts, FY19-22	Primary purpose of contracts
Maximus	$38,059	$7,906,006	208	$12,266,036,414	Call centers, student debt processing
Amazon.com	$32,855	$212,701,169	6,474	$10,330,757,833	Web services
TE Connectivity	$24,975	$14,715,856	589	$3,323,360,728	Electronic sensors and connectors for DoD contractors

The corporations in our sample with the largest federal contracts come from diverse service, technology, and manufacturing sectors.

Maximus

Maximus, the top contractor in our sample, has held $12.3 billion in federal contracts over recent years. The company's contracts include deals to service federal student loans and operate Obamacare and Medicare call centers. In fiscal year 2021, federal contracts made up 45 percent of Maximus total revenue.

Half of the 49,800 Maximus employees earned less than $38,059 in 2021. Before President Biden's executive order raising the minimum wage for federal contract employees to $15, many of the company's call center workers earned as little as $10.95 per hour.

By contrast, Maximus CEO Bruce Caswell's 2021 compensation totaled $7.9 million, 208 times the firm's median pay and 36 times the salary of the top officials at the government agencies responsible for the company's largest contracts.

Maximus offers a prime example of how extreme pay gaps undermine enterprise effectiveness. A March 2022 report by the Communications Workers of America and the Student Borrower Protection Center revealed extensive Maximus mismanagement. The study found evidence of sloppy and potentially unlawful student loan servicing, unfair debt collection practices, and unlawful wage garnishments and public benefit seizures, sometimes even involving Social Security payments.

In March and again in May 2022, workers at Maximus call centers in Mississippi and Louisiana, a largely Black workforce, staged walkouts demanding higher pay, paid sick leave, and the opportunity to unionize without retaliation.

Amazon

Amazon, the second-largest contractor in our sample, has reported $10.3 billion in recent federal contracts, most of it to provide web services for the National Security Agency. But the full extent of Amazon's taxpayer-funded contracts remains unknown. The company reportedly also received a lucrative share of a multi-billion-dollar CIA contract for cloud services. The details and exact value of this contract continue to be classified.

Amazon's new CEO raked in compensation worth $212.7 million last year, 6,474 times the company's median pay and 961 times the salary for the U.S. secretary of defense.

TE Connectivity

TE Connectivity has landed $3.3 billion in recent federal contracts for manufacturing electronic sensors and connectors, partly under direct contract with the Defense Departments and partly as a subcontractor to major military contractors like Boeing, Lockheed Martin, and Northrop Grumman.

TE Connectivity CEO Terrence Curtin enjoyed a 39 percent 2021 pay increase to $14.7 million. The company's median worker pay last year rose only 0.2 percent to $24,975. TE Connectivity does not disclose where its median worker labors, but that person likely works outside the United States. Under Curtin's leadership, TE Connectivity has expanded its global workforce while cutting U.S. jobs. In 2018, the firm's 12,056 U.S. employees made up 16.8 percent of the company's workforce. By 2021, TE's U.S. worker total had shrunk to 9,169, just 12.5 percent of the overall workforce. The company operates 16 manufacturing facilities in China.

Policy Recommendations

This past April, French President Emmanuel Macron responded to public outrage over a $20 million paycheck to an auto executive by vowing on the campaign trail to fight for an EU-wide cap on executive pay. Just days later, he sailed to re-election victory by a larger margin than expected. In the United States, where $20 million CEO paychecks have become routine, large majorities of Americans across the political spectrum also now support an outright *cap* on CEO pay relative to worker pay.

We highlight here a few more moderate CEO pay reforms that have gained traction in recent years. Appendix 2 catalogs a much more extensive list of policy options.

1. **CEO pay ratio incentives for federal contractors**

President Biden does not need to wait for Congress to take action on executive pay excess. His administration could use executive action to give corporations with narrow pay ratios preferential treatment in government contracting.

Long-established federal programs already offer a leg up in contracting to certain businesses, such as small firms owned by women, disabled veterans, or minorities. Some of these are set-asides programs while in other instances, contracting officers are required to apply up to a 10 percent price evaluation preference to offers from certain businesses in bidding competitions.

These preference programs use the power of the public purse to level the playing field and expand opportunities for the disadvantaged. Using public procurement to address extreme disparities within large corporations would be a step towards the same general objective.

By encouraging big companies to narrow their pay gaps, the administration would also help ensure that taxpayers get the biggest bang for the buck for federal contract dollars. Studies have shown that companies with narrow gaps tend to perform better. A Harvard Business School study, for instance, found that companies with overpaid CEOs and underpaid workers saw significantly higher levels of employee dissatisfaction and turnover, as well as lower sales. Another recent analysis found that the best-performing companies during the 2006-2020 period had the lowest-paid CEOs.

The Patriotic Corporations Act could serve as a model for executive action. This bill would grant preferential treatment in contracting to firms with pay ratios of 100 to 1 or less, among other pro-worker and pro-environment benchmarks. The Congressional Progressive Caucus has called on Biden to introduce such conditions on contractors through executive action.

2. Excessive CEO pay tax

In the Build Back Better negotiations, Senate Finance Committee Chair Ron Wyden floated the idea of an excise tax on corporations with big gaps between CEO and worker pay. His proposal was loosely modeled on the Tax Excessive CEO Pay Act, a bill championed by Senators Bernie Sanders and Elizabeth Warren and Representatives Barbara Lee and Rashida Tlaib and supported by the AFL-CIO, the Center for American Progress, and numerous other organizations and academics.

Under this bill, the wider a company's gap between CEO and median worker pay, the higher their federal corporate tax rate. Tax penalties would begin at 0.5 percentage points for companies that pay their top executives between 50 and 100 times more than their median workers. The highest penalty would apply to companies that pay top executives over 500 times worker pay. Companies with pay gaps of less than 50 to 1 would not owe an extra dime. Rep. Mark DeSaulnier's CEO Accountability and Responsibility Act (H.R. 3301) would impose similar tax penalties for large pay ratios.

Such taxes encourage large corporations to narrow their divides — by lifting up the bottom and/or bringing down the top of their wage scales. They could also generate significant revenue. The Tax Excessive CEO Pay Act would raise an estimated $150 billion over 10 years. Tax penalties on companies with wide CEO-worker pay gap are already raising revenue in two cities, San Francisco and Portland, Oregon.

3. Stock buybacks tax and restrictions

Buybacks were largely illegal before 1982 and several bills have been introduced to reinstate that ban. Last September, Senators Wyden and Sherrod Brown introduced another approach through the Stock Buyback Accountability Act. This bill would impose a two percent excise tax on the amount spent by a company on buying back its own stock, generating an estimated $124 billion over 10 years. President Biden supported a buybacks tax as a revenue source for the Build Back Better bill and included such a tax in his latest budget proposal.

In addition, Biden proposed new rules that would ban top executives from selling their personal stock for a multi-year period after a buyback. This aims to prevent CEOs from timing share repurchases to cash in personally on a short-term price pop they themselves artificially created. Instead of waiting for Congress, the president could take action by imposing such a ban on federal contractors. A 2019 SEC investigation revealed that such maneuvers are a common practice: in the eight days following a buyback announcement, top executives sold five times as much stock on average as they had on an ordinary day.

Methodology and Sources

Corporations with the lowest median worker pay: We started by focusing in on the firms in the Russell 3000 that had the lowest median worker pay in 2020, drawing from the AFL-CIO Paywatch database. We then pulled 2021 pay data for those companies from proxy statements (DEF 14A and PRE 14A reports) filed with the SEC. Our final sample includes the 300 firms in this low median pay group that had reported their 2021 data as of May 2, 2022. In some cases, median worker pay rose dramatically in 2021 due to the company spinning off low-wage subsidiaries or divisions. We left those firms in the sample.

CEO compensation, median worker pay, and pay ratios: The Dodd-Frank Wall Street Reform and Consumer Protection Act requires large U.S. publicly traded corporations to report the ratio between their CEO and median worker pay to the SEC on a yearly basis. Under the rule, companies key their ratios to two numbers:

- **CEO compensation:** includes salary, bonuses, the estimated value of stock and stock option awards, changes in pension value, and perks.

- **Median employee compensation:** based on global workforce, including part-time, temporary, and full-time employees (but not subcontracted). Companies can exempt non-U.S. employees from their ratio calculations only if these employees make up 5 percent or less of the total workforce. They cannot convert part-time and temporary employees into full-time equivalents.

Stock buybacks: From company quarterly 10-Q and annual 10-K reports filed with the SEC.

Federal contractors: We collected data from USASpending.gov, as of May 1, 2022. We used the advanced search, using the parent company UEI number as the keyword and covering fiscal years 2019-2022. The federal government's fiscal year begins October 1. Results include contracts begun before this period that had their latest related action during this period. The figures are net amounts (adjusting for loan repayments or other funds paid to the government). They do not include contracts that are classified for security purposes.

We also included a $10 billion contract from the National Security Agency to Amazon for web services. While not yet listed on USASpending.gov, the NSA confirmed to media in late April 2022 that it had "re-awarded" this formerly classified contract to Amazon. Microsoft had challenged the contract, but the NSA ultimately decided on Amazon Web Services. Note: Contracts for V.F. Corporation were primarily for subsidiary VF Imagewear, which the company sold off in 2021.

Appendix 1: The 300 publicly held U.S. companies with the lowest median worker wages in 2020

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Amazon.com	**$212,701,169**	**12547%**	**$32,855**	**13.3%**	**6,474**	**11062%**	**$10,330,757,833**
The Estee Lauder Companies	$65,996,984	258%	$33,586	16.3%	1,965	208%	$0
Penn National Gaming	$65,887,214	1590%	$33,930	35.9%	1,942	1145%	$0
FleetCor Technologies	$57,923,473	4318%	$41,265	19.2%	1,404	3595%	$302,979,220
NIKE	$32,920,708	-40%	$36,077	28.2%	913	-53%	$0
The TJX Companies	$31,802,000	119%	$14,139	7.6%	2,249	103%	$0
Walgreens Boots Alliance	$28,464,562	63%	$26,255	-21.4%	1,084	107%	$957,984,866
Yum! Brands	$27,578,659	88%	$13,082	15.0%	2,108	64%	$0
Diebold Nixdorf	$26,169,529	393%	$43,006	36.8%	609	260%	$10,236,073
Walmart Inc.	$25,670,673	14%	$25,335	21.0%	1,013	-6%	$0
The Coca-Cola Company	$24,883,878	35%	$13,894	22.5%	1,791	10%	$12,005,017
Skechers U.S.A.	$23,977,314	18%	$10,586	48.2%	2,265	-20%	$0
Hilton Worldwide Holdings	$23,298,795	-58%	$36,915	29.0%	631	-68%	$15,044,318
Caesars Entertainment	$22,576,517	65%	$35,618	44.5%	634	14%	$0
XPO Logistics	$22,043,280	1%	$47,257	36.3%	466	-26%	$15,492,729
Align Technology	$21,591,400	39%	$13,011	8.8%	1,659	28%	$5,722
Williams-Sonoma	$21,324,327	-12%	$24,866	27.7%	858	-31%	$0
Chegg	$21,005,605	102%	$62,035	96.3%	339	3%	$0
Starbucks Corporation	$20,425,163	39%	$12,935	6.8%	1,579	30%	$141,139
Qurate Retail	$20,364,269	89%	$29,674	2.6%	686	84%	$0
Monolithic Power Systems	$20,254,831	38%	$48,913	43.0%	414	-3%	$0
McDonald's Corporation	$20,028,132	85%	$8,897	-2.5%	2,251	89%	$0
Target Corporation	$19,758,766	0%	$25,501	3.9%	775	-4%	$0
Cognizant Technology Solution	$19,687,285	43%	$34,225	2.6%	575	39%	$0
Norwegian Cruise Line Holding	$19,668,768	-46%	$19,319	-36.9%	1,018	-14%	$0
AMC Entertainment Holdings	$18,909,546	-10%	$9,386	70.6%	2,015	-47%	$0
ManpowerGroup Inc.	$18,787,835	58%	$8,022	28.1%	2,342	23%	$109,350
Whirlpool Corporation	$18,764,918	10%	$27,128	22.7%	692	-10%	$24,782
The Gap	$18,260,915	-17%	$7,348	4.4%	2,485	-20%	$0
Wyndham Hotels & Resorts	$18,223,275	180%	$36,102	37.2%	505	104%	$151,329
The Kroger Co.	$18,168,730	-19%	$26,763	8.7%	679	-25%	$0
Chipotle Mexican Grill	$17,880,000	-53%	$15,811	20.4%	1,131	-61%	$0
Lowes Companies	$17,871,716	-23%	$22,697	-7.6%	787	-16%	$0
Bath & Body Works	$17,668,627	-4%	$10,632	7.7%	1,662	-11%	$0
BorgWarner Inc.	$17,592,090	81%	$31,740	1.6%	554	78%	$2,117,831
Western Digital Corporation	$17,093,364	-55%	$11,292	46.3%	1,514	-69%	$0
Iron Mountain Incorporated	$17,065,999	39%	$41,600	18.0%	410	17%	$221,264,653
GameStop Corp.	$16,812,934	134%	$12,417	12.5%	1,355	108%	$0

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Dollar General Corporation	**$16,618,873**	**1%**	**$17,773**	**6.5%**	**935**	**-5%**	**$0**
Yum China Holdings	$16,555,672	-22%	$6,738	22.4%	2,457	-36%	$0
BJ's Wholesale Club Holdings	$16,340,549	1%	$19,021	71.8%	859	-41%	$0
Skyworks Solutions	$16,150,421	-26%	$17,409	1.5%	928	-27%	$30,804,329
The Hershey Company	$16,144,570	-16%	$36,149	19.2%	447	-29%	$817,585
S&P Global	$16,143,770	7%	$27,835	9.9%	580	-3%	$81,699,972
Mattel	$16,128,895	3%	$5,963	-1.5%	2,705	5%	$0
Mondelez International	$16,128,320	-4%	$31,024	0.3%	520	-4%	$0
Ross Stores	$15,989,635	-9%	$10,806	24.6%	1,480	-27%	$0
R1 RCM	$15,840,226	321%	$21,216	-39.4%	747	598%	$0
Royal Caribbean Group	$15,812,027	31%	$14,706	69.7%	1,075	-23%	$46,501
Crocs	$15,785,920	57%	$27,877	2.8%	566	52%	$0
VF Corp.	$15,782,405	-5%	$13,513	1.4%	1,168	-6%	$576,635,801
Guess	$15,729,716	118%	$23,921	76.9%	658	23%	$0
Best Buy Co.	$15,631,157	30%	$29,999	-1.8%	521	32%	$26,076
Under Armour	$15,544,913	111%	$10,466	56.9%	1,485	35%	$23,662
Jabil	$15,313,215	20%	$8,420	8.6%	1,818	11%	$172,140,557
Carnival Corporation	$15,063,788	13%	$8,658	-68.1%	1,740	255%	$53,766,581
Acuity Brands	$15,003,563	-28%	$11,649	29.0%	1,288	-44%	$544,688
American Eagle Outfitters	$14,875,447	1%	$8,439	29.1%	1,763	-22%	$0
Tenneco Inc.	$14,861,672	102%	$28,665	14.3%	518	76%	$612,582
AutoZone	$14,838,996	29%	$30,375	13.5%	488	13%	$16,500
SMART Global Holdings	$14,810,329	118%	$24,021	-12.4%	617	150%	$80,981,624
Aptiv Plc	$14,744,780	10%	$7,402	25.3%	1,992	-62%	$20,792,729
Boyd Gaming Corporation	$14,740,782	396%	$31,361	12.1%	470	343%	$22,021
TE Connectivity Ltd.	$14,715,856	39%	$24,975	0.2%	589	39%	$3,323,360,728
Aramark	$14,551,719	-46%	$15,058	-4.9%	966	-44%	$50,173,717
Sanmina Corporation	$14,535,131	135%	$11,048	28.5%	1,316	83%	$154,498
Foot Locker	$14,458,325	21%	$12,135	32.5%	1,191	-9%	$0
Adient plc	$14,242,424	26%	$18,799	-3.9%	758	31%	$0
Resideo Technologies	$14,103,270	90%	$36,061	67.4%	391	13%	$1,126,886
Burlington Stores	$13,867,435	45%	$12,690	25.1%	1,093	16%	$0
Enovis Corporation (formeRly Colfax Corporation)	$13,833,746	60%	$30,024	5.4%	461	52%	$44,694,528
Sun Communities	$13,828,288	24%	$32,037	10.1%	776	36%	$0
Nielsen Holdings Plc	$13,798,342	29%	$48,802	115.7%	283	-40%	$0
Churchill Downs Incorporated	$13,755,283	31%	$27,745	6.7%	496	23%	$0
Gaming & Leisure Properties	$13,407,438	15%	$231,714	675.2%	58	-85%	$0
Methode Electronics	$13,331,554	780%	$7,532	-26.6%	1,770	1096%	$3,098,798
Lear Corporation	$13,306,375	-10%	$8,106	-10.4%	1,642	1%	$0
lululemon athletica inc.	$13,265,455	25%	$17,061	15.0%	778	9%	$0
Marriott Vacations Worldwide	$13,223,937	144%	$36,899	23.3%	358	98%	$22,503

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Amphenol Corporation	**$13,092,697**	**63%**	**$16,042**	**6.9%**	**816**	**52%**	**$535,877,491**
The Home Depot	$13,059,751	-7%	$28,697	4.8%	455	-11%	$2,221,918
Kohls Corporation	$12,924,834	1%	$11,921	1.8%	1,084	-1%	$0
Abercrombie & Fitch Co.	$12,851,399	8%	$3,915	115.1%	3,282	-50%	$0
O'Reilly Automotive	$12,764,271	42%	$28,113	8.3%	454	31%	$60,871
McCormick & Company	$12,718,656	-35%	$38,004	13.8%	335	-43%	$0
Dillard's	$12,655,214	331%	$30,121	15.4%	420	275%	$0
Tapestry	$12,622,668	157%	$27,571	-3.3%	458	166%	$0
Avery Dennison Corporation	$12,433,721	43%	$15,256	33.1%	815	7%	$280,891
The Mosaic Company	$12,297,011	-4%	$24,013	-6.0%	512	2%	$0
Macy's	$12,290,931	11%	$28,037	39.6%	438	-21%	$0
Conn's	$12,086,742	247%	$30,255	15.2%	399	200%	$0
Ralph Lauren Corporation	$12,063,568	-1%	$24,168	13.2%	499	-12%	$0
The Buckle	$11,994,209	112%	$7,200	24.5%	1,666	70%	$0
The Children's Place	$11,831,132	-25%	$10,591	13.2%	1,117	-34%	$0
Crown Holdings	$11,815,065	-33%	$34,999	10.9%	338	-39%	$71,968
Genuine Parts Company	$11,810,704	39%	$41,606	23.3%	284	12%	$30,676,228
Rent-A-Center	$11,732,761	27%	$32,729	-1.0%	358	28%	$0
Euronet Worldwide	$11,680,872	11%	$29,102	4.5%	401	6%	$0
Berry Global Group	$11,498,501	14%	$46,842	34.7%	245	-16%	$0
Newell Brands	$11,438,798	17%	$33,913	17.4%	337	-1%	$0
The Brinks Company	$11,405,920	-18%	$10,966	5.5%	1,040	-22%	$0
American Axle & Manufacturing Holdings	$11,199,175	26%	$38,032	28.2%	294	-2%	$7,329,671
Ryman Hospitality Properties	$11,176,606	152%	$28,191	47.3%	396	71%	$1,745,130
Tractor Supply Company	$11,117,251	-30%	$29,047	18.9%	383	-41%	$0
Carter's	$11,056,385	52%	$8,587	44.0%	1,288	5%	$0
Hanesbrands Inc.	$11,031,249	51%	$7,055	2.2%	1,564	48%	$523,492,000
The ODP Corporation	$10,990,281	11%	$47,937	54.2%	229	-28%	$6,109,669
Waitr Holdings	$10,960,000	61%	$36,669	33.0%	299	21%	$0
Dine Brands Global	$10,892,764	496%	$17,180	26.6%	634	370%	$0
Regis Corporation	10,866,152	1121%	$24,187	13.9%	449	969%	$0
The Western Union Company	$10,834,600	5%	$36,393	19.3%	298	-12%	$0
O-I Glass	$10,794,495	23%	$35,725	3.3%	302	19%	$0
II-VI Incorporated	$10,459,536	-1%	$15,808	116.2%	662	-54%	$228,742,264
Public Storage	$10,358,153	116%	$28,787	2.9%	360	109%	$49,743
Ingredion Incorporated	$10,320,138	7%	$22,969	0.9%	449	6%	$0
Lumentum Holdings	$10,299,689	0%	$23,477	-9.4%	439	10%	$867,853
Dollar Tree	$10,249,698	-9%	$13,490	-14.7%	760	6%	$0
SYNNEX Corporation	$10,230,900	95%	$56,410	713.5%	181	-76%	$123,313,634
Caleres	$10,196,791	248%	$24,431	3.9%	417	234%	$0
Darden Restaurants	$10,128,186	17%	$17,855	10.6%	567	5%	$0

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Advance Auto Parts	**$10,052,271**	**25%**	**$24,960**	**0.0%**	**403**	**25%**	**$0**
ExlService Holdings	$10,033,589	41%	$10,275	-3.8%	977	46%	$0
Kontoor Brands	$9,979,870	71%	$5,102	11.9%	1,956	53%	$0
Acadia Healthcare Company	$9,853,107	92%	$40,327	47.5%	244	30%	$1,666,228
Designer Brands Inc.	$9,735,429	-19%	$12,543	47.1%	776	-45%	$0
The Wendy's Company	$9,669,733	34%	$13,757	1.4%	703	32%	$0
Weis Markets	$9,601,709	6%	$19,061	-2.0%	504	9%	$0
OSI Systems	$9,567,617	-1%	$36,585	23.3%	262	-19%	$1,141,316,038
Advanced Energy Industries	$9,566,620	65%	$10,312	59.7%	928	3%	$1,660,041
Six Flags Entertainment Corporation	$9,531,838	32%	$14,277	113.4%	668	-39%	$14,497
LKQ Corporation	$9,445,636	20%	$38,982	28.7%	242	-7%	$429,671
Franchise Group	$9,310,064	84%	$13,436	-34.0%	693	179%	$0
Visteon Corporation	$9,307,212	13%	$18,403	5.2%	506	7%	$0
Planet Fitness	$9,272,049	149%	$29,640	9.6%	313	128%	$9,932
Five Below	$9,047,922	-46%	$11,454	54.2%	790	-65%	$0
Big Lots	$9,042,187	17%	$9,085	-10.3%	995	30%	$0
Knowles Corp.	$8,999,264	91%	$9,086	-24.5%	990	153%	$20,236,534
Robert Half International Inc.	$8,971,474	36%	$28,191	-15.8%	318	61%	$22,189,091
H&R Block	$8,908,536	29%	$14,856	-0.9%	600	30%	$0
Ulta Beauty	$8,826,126	9%	$13,403	7.4%	659	2%	$0
Golden Entertainment	$8,781,384	68%	$34,415	50.0%	255	12%	$0
Murphy USA	$8,638,157	5%	$19,058	13.1%	453	-7%	$0
Avis Budget Group	$8,594,555	75%	$29,628	-5.9%	290	86%	$10,595,734
Pilgrims Pride Corporation	$8,581,691	207%	$27,920	23.9%	307	148%	$0
Vishay Intertechnology	$8,388,523	58%	$21,000	21.3%	399	30%	$19,437,575
Cimpress PLC	$8,340,034	-11%	$27,136	3.3%	307	-14%	$0
MSG Networks Inc. (now Madison Square Garden Entertainment)	$8,323,840	55%	$8,415	-68.4%	989	390%	$0
Capri Holdings Limited	$8,193,425	-30%	$25,884	-6.2%	317	-26%	$0
Casey's General Stores	$8,186,093	-29%	$19,262	13.7%	425	-37%	$0
Acushnet Holdings Corp.	$8,092,226	19%	$15,555	-4.5%	520	25%	$0
Unisys Corporation	$8,059,535	11%	$34,786	50.6%	232	-26%	$1,629,951,346
MAXIMUS	$7,906,006	29%	$38,059	7.7%	208	20%	$12,266,036,414
Fabrinet	$7,861,070	0%	$10,105	-13.4%	778	16%	$0
Fox Factory Holding Corp.	$7,817,826	103%	$50,792	46.3%	150	35%	$0
Diodes Incorporated	$7,760,879	3%	$20,448	-12.2%	380	18%	$0
The Cheesecake Factory Incorporated	$7,735,204	31%	$28,866	33.3%	268	-2%	$0
VICI Properties	$7,662,894	10%	$28,107	24.8%	273	-12%	$0
Plexus Corp.	$7,623,221	-7%	$15,087	17.1%	505	-21%	$0
CubeSmart	$7,586,805	27%	$32,895	11.0%	231	15%	$162,278
Cracker Barrel Old Country Store	$7,581,052	22%	$14,843	4.3%	511	17%	$109,143

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Steven Madden, Ltd.	**$7,566,831**	**163%**	**$25,726**	**9.3%**	**294**	**141%**	**$0**
ABM Industries Incorporated	$7,556,633	-25%	$34,343	40.8%	220	-47%	$125,864,357
Cinemark Holdings	$7,553,272	9%	$5,584	-7.1%	1,353	18%	$0
PriceSmart	$7,550,113	21%	$8,261	-13.0%	914	39%	$0
Merit Medical Systems	$7,537,100	-2%	$38,022	9.0%	198	-10%	$1,287,808
Bloomin' Brands	$7,518,278	35%	$16,334	75.1%	460	-23%	$0
EVERTEC	$7,498,179	41%	$29,179	-5.2%	257	49%	$0
The Ensign Group	$7,421,472	14%	$38,735	10.4%	192	3%	$41,148,964
Regal Rexnord Corporation	$7,401,555	16%	$18,252	33.3%	406	-13%	$13,481,013
Laureate Education	$7,318,937	38%	$5,524	-17.0%	1,325	66%	$0
Papa John's International	$7,239,979	14%	$9,027	33.1%	802	-15%	$0
FirstCash	$7,175,467	-32%	$8,079	20.2%	888	-43%	$0
Domino's Pizza	$7,138,002	13%	$17,782	-19.5%	401	41%	$0
Inogen	$7,036,373	178%	$59,513	72.1%	118	62%	$130,834
Brinker International	$6,958,837	18%	$19,140	12.5%	364	5%	$0
A. O. Smith Corporation	$6,897,982	33%	$35,561	55.8%	194	-15%	$16,725
Franklin Electric Co.	$6,896,933	16%	$22,131	25.4%	312	-7%	$37,657
Donaldson Company	$6,878,950	25%	$39,489	26.3%	174	-1%	$53,538,569
Belden Inc.	$6,831,323	158%	$37,776	21.6%	181	113%	$4,334,198
Sensata Technologies Holding Plc	$6,798,263	15%	$11,558	5.3%	588	9%	$10,800,121
American Campus Communities	$6,776,638	-1%	$32,817	2.5%	206	-4%	$0
Benchmark Electronics	$6,736,846	38%	$9,676	-24.4%	696	83%	$416,946,089
Sally Beauty Holdings	$6,723,259	20%	$15,609	3.5%	431	16%	$0
Genpact Limited	$6,646,011	26%	$24,506	-10.1%	271	40%	$9,031,934
Express	$6,643,720	183%	$8,033	-11.4%	827	219%	$0
Madison Square Garden Sports Corp.	$6,519,949	-12%	$74,327	112.4%	88	-58%	$0
Dennys Corporation	$6,400,488	20%	$34,752	113.9%	184	-44%	$0
Kforce Inc.	$6,329,950	-5%	$41,608	17.8%	152	-19%	$231,932,612
Park-Ohio Holdings Corp.	$6,203,274	20%	$42,571	52.3%	146	-21%	$35,944,237
Envestnet	$6,172,630	-1%	$33,810	9.6%	183	-10%	$0
Littelfuse	$6,170,131	52%	$22,176	47.9%	278	3%	$433,806
Conduent	$6,078,061	22%	$27,402	-0.6%	222	23%	$283,783,487
Gentherm Incorporated	$5,972,977	38%	$14,482	10.0%	412	26%	$241,293
EPAM Systems	$5,921,525	26%	$27,200	11.5%	218	14%	$0
Superior Group of Companies	$5,874,538	-8%	$9,391	17.5%	626	-22%	$0
TrueBlue	$5,811,254	70%	$8,174	-0.2%	711	70%	$49,687,916
Sprouts Farmers Markets	$5,773,120	-32%	$23,903	2.0%	242	-33%	$0
Nordstrom	$5,753,133	2%	$26,479	-1.2%	217	3%	$0
Valvoline	$5,747,615	6%	$31,200	-3.2%	184	10%	$0
National Vision Holdings	$5,728,490	44%	$22,798	-10.8%	251	61%	$6,168

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The Greenbrier Companies	**$5,586,741**	**-19%**	**$12,394**	**-8.7%**	**451**	**-12%**	**$0**
Trinity Industries	$5,579,150	-20%	$15,659	-43.3%	356	41%	$498,000
Avanos Medical	$5,478,186	-27%	$6,120	-3.8%	895	-25%	$4,022,985
Fresh Del Monte Produce Inc.	$5,470,325	-7%	$5,728	-2.6%	955	-5%	$0
FactSet Research Systems Inc.	$5,468,745	16%	$15,272	-29.8%	358	65%	$1,904,818
Shake Shack	$5,466,562	100%	$18,432	12.0%	297	79%	$0
The Cato Corporation	$5,466,540	98%	$31,200	166.3%	394	67%	$0
Lands' End	$5,443,598	72%	$26,817	11.0%	203	55%	$0
Tupperware Brands Corporation	$5,433,669	9%	$32,032	1.8%	170	7%	$0
Antero Midstream Corp.	$5,388,890	100%	$31,393	-10.3%	172	123%	$0
Red Robin Gourmet Burgers	$5,359,784	24%	$21,163	-15.5%	253	47%	$0
Carriage Services	$5,346,781	127%	$21,750	23.7%	246	84%	$0
Ruth's Hospitality Group	$5,337,817	110%	$38,286	20.3%	139	74%	$0
Brookdale Senior Living Inc.	$5,300,248	-25%	$24,035	5.0%	221	-29%	$0
Mohawk Industries	$5,190,696	43%	$36,391	3.0%	143	39%	$3,329,901
Universal Corporation	$5,171,861	13%	$1,928	5.6%	2,683	7%	$0
Life Storage	$5,168,691	16%	$35,260	6.5%	147	10%	$22,248
Floor & Decor Holdings	$5,143,661	-63%	$23,768	2.9%	216	-64%	$0
WW International	$5,137,456	-19%	$8,741	7.7%	588	-25%	$0
Cooper-Standard Holdings Inc.	$5,087,944	4%	$15,036	8.0%	338	-4%	$0
Tanger Factory Outlet Centers	$5,082,937	-4%	$16,817	32.0%	302	-27%	$0
ICU Medical	$5,071,358	53%	$32,600	170.8%	156	-43%	$5,019,653
Wingstop	$5,042,788	-16%	$30,268	65.6%	167	-49%	$0
Nu Skin Enterprises	$4,948,520	-25%	$224	-83.3%	22,092	346%	$0
SP Plus Corporation	$4,947,004	168%	$26,424	0.0%	187	167%	$16,676,905
Amneal Pharmaceuticals	$4,798,825	106%	$12,169	-3.0%	394	112%	$3,401,898
Preformed Line Products Company	$4,760,218	-8%	$21,536	16.7%	221	-21%	$0
Columbia Sportswear Company	$4,751,179	284%	$31,397	-8.8%	152	322%	$0
Jack in the Box Inc.	$4,709,511	-22%	$19,128	19.1%	246	-34%	$0
Motorcar Parts of America	$4,674,829	51%	$10,003	51.6%	467	0%	$1,495,858
SpartanNash Company	$4,670,472	280%	$23,376	11.3%	200	245%	$720,612
Encore Capital Group	$4,600,775	6%	$28,681	-6.5%	160	13%	$0
RadNet	$4,567,222	61%	$37,736	7.3%	121	49%	$10,220
Cross Country Healthcare	$4,446,758	8%	$37,851	24.4%	117	-14%	$59,787,882
Healthcare Services Group	$4,405,773	5%	$29,109	12.0%	151	-6%	$0
Bright Horizons Family Solutions	$4,237,306	46%	$27,959	38.2%	152	6%	$4,943,431
First BanCorp (Puerto Rico)	$4,183,057	15%	$32,886	-1.1%	127	17%	$0
Equity LifeStyle Properties	$4,130,765	15%	$30,514	29.9%	135	-11%	$0
Boot Barn Holdings	$4,057,401	-19%	$14,775	1.4%	275	-20%	$0
CTS Corporation	$3,944,440	58%	$14,659	21.6%	269	30%	$68,223,003
Kelly Services	$3,938,608	154%	$8,850	14.2%	445	123%	$1,631,339,825

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Allied Motion Technologies Inc.	**$3,907,236**	**14%**	**$39,676**	**13.9%**	**98**	**0%**	**$9,131,392**
The Marcus Corporation	$3,834,147	-17%	$8,597	55.0%	446	-46%	$923,025
Amkor Technology	$3,832,635	-25%	$16,225	-21.0%	236	-6%	$0
Ethan Allen Interiors Inc.	$3,780,814	108%	$31,253	-1.2%	121	112%	$139,750,544
Texas Roadhouse	$3,769,765	4%	$16,234	23.3%	232	-16%	$160,211
BJ's Restaurants	$3,711,615	53%	$22,219	145.7%	167	-38%	$0
ModivCare Inc.	$3,637,550	-22%	$12,899	-57.2%	282	81%	$0
Applied Optoelectronics	$3,627,897	19%	$19,254	2.5%	188	16%	$0
Stoneridge	$3,605,814	-9%	$14,008	13.5%	257	-20%	$0
Modine Manufacturing Company	$3,448,294	-9%	$28,707	-9.6%	120	0%	$6,405,809
Addus HomeCare Corporation	$3,444,644	-7%	$13,926	6.9%	247	-13%	$42,817
TPI Composites	$3,430,368	-4%	$7,015	-26.1%	489	30%	$3,018,630
Tilly's	$3,300,130	196%	$5,165	27.8%	639	132%	$0
NN	$3,289,451	0%	$16,693	4.8%	197	-4%	$76,178
UniFirst Corporation	$3,276,334	27%	$32,458	-6.2%	101	35%	$47,021,463
TrustCo Bank Corp NY	$3,184,330	1%	$37,801	10.3%	84	-9%	$0
National Storage Affiliates Trust	$3,175,600	14%	$29,115	-0.2%	109	15%	$0
1-800-FLOWERS COM	$3,157,705	-2%	$35,077	26.3%	90	-23%	$0
Vera Bradley	$3,072,544	13%	$14,629	69.7%	210	-33%	$0
International Seaways	$3,040,600	-10%	$16,436	-32.3%	185	33%	$0
American Public Education	$2,994,052	0%	$29,408	-9.8%	102	11%	$4,929,115
Citi Trends	$2,979,581	-1%	$23,400	2.3%	127	-3%	$0
Universal Electronics Inc.	$2,956,910	-18%	$9,908	27.2%	298	-35%	$13,238
Monarch Casino & Resort	$2,909,040	24%	$38,434	14.2%	76	9%	$0
CommScope Holding Co.	$2,865,860	-74%	$19,614	44.5%	146	-82%	$34,372
AXT	$2,836,108	117%	$12,964	0.0%	219	117%	$0
Genesco Inc.	$2,796,797	-49%	$4,188	10.9%	668	-54%	$0
Hibbett Sports	$2,712,976	40%	$5,401	-5.3%	502	47%	$0
NeoPhotonics Corporation	$2,620,390	16%	$32,041	7.8%	82	8%	$0
UFP Technologies	$2,619,501	57%	$36,749	6.2%	71	48%	$7,028,665
TTM Technologies	$2,595,084	-1%	$23,692	51.4%	110	-34%	$978,449,238
Zumiez Inc.	$2,474,467	49%	$9,515	39.5%	260	7%	$0
Shoe Carnival	$2,442,034	57%	$17,221	36.8%	142	15%	$0
Noodles & Co.	$2,408,743	19%	$11,838	22.4%	203	-3%	$0
Four Corners Property Trust	$2,381,945	-18%	$20,857	35.7%	114	-40%	$0
Kimball Electronics	$2,279,462	27%	$14,755	-4.5%	154	33%	$13,611
National HealthCare Corporation	$2,249,445	75%	$35,653	10.8%	63	58%	$14,684,114
International Bancshares Corporation	$2,142,783	0%	$24,907	0.0%	86	0%	$0
Carrols Restaurant Group	$2,079,697	-58%	$16,403	16.9%	127	-64%	$0
SeaWorld Entertainment	$2,009,400	1%	$8,807	50.6%	228	-33%	$0
Ingles Markets, Incorporated	$1,974,670	57%	$19,793	9.2%	100	45%	$2,679,335

Company, ranked by CEO pay	CEO total compensation		Median worker pay		CEO-worker pay ratio		Federal contracts
	2021	change over 2020	2021	change over 2020	2021	change over 2020	FY19-FY22
Community Trust Bancorp	**$1,853,539**	**59%**	**$37,720**	**7.5%**	**50**	**52%**	**$0**
Fiesta Restaurant Group	$1,813,500	-29%	$17,940	23.6%	101	-43%	$0
Unifi	$1,748,373	34%	$33,263	-1.3%	53	36%	$0
Standard Motor Products	$1,743,163	58%	$27,045	19.2%	64	-11%	$0
First Mid Bancshares	$1,689,377	67%	$39,261	11.1%	43	48%	$0
Scholastic Corporation	$1,641,888	59%	$30,692	11.6%	53	39%	$441,594
Calavo Growers	$1,355,165	-28%	$4,948	0.0%	274	-28%	$30,000
Marine Products Corporation	$1,254,878	13%	$32,070	13.8%	39	-3%	$0
Cal-Maine Foods	$1,174,401	-6%	$37,768	9.7%	31	-14%	$9,617,656
Urban Outfitters	$1,040,539	2768%	$14,907	-0.4%	70	3400%	$0
AMERCO	$997,545	25%	$20,007	20.5%	50	4%	$0
Biglari Holdings	$900,000	0%	$10,134	9.1%	89	-8%	$0
Stitch Fix	$637,980	41%	$20,382	17.1%	31	19%	$0
TTEC Holdings	$632,135	-8%	$8,464	12.4%	75	-18%	$0
Natural Grocers by Vitamin Cottage	$620,393	0%	$32,904	4.5%	19	-5%	$0
Southern Missouri Bancorp	$595,934	6%	$30,895	2.5%	19	19%	$0
Utah Medical Products	$494,210	51%	$35,360	0.4%	14	56%	$33,488
Agilysys	$348,447	-95%	$33,774	9.7%	10	-96%	$0
AVERAGE	**$10,599,096**		**$23,968**		**670**		**$123,963,537**
TOTAL	**$3,179,728,680**						**$37,189,061,103**

Appendix 2: Our annual catalog of CEO pay reforms

Every year, this section of our annual *Executive Excess* report offers the most comprehensive available catalog of policy options for reining in CEO pay. These options cover reforms in everything from corporate governance to government contracts and subsidies. Members of Congress have introduced legislation that speaks to some of these options. Others are pending before legislative bodies in U.S. cities and states — and nations around the world.

How best to evaluate the CEO pay reforms currently pending in the United States and beyond? IPS has developed, as a guide, the following principles for effective and equitable corporate compensation.

Principles for a Better CEO Pay System

1. Encourage narrower CEO-worker pay gaps.

As CEOs focus on funneling corporate resources to shareholders and themselves, workers are not getting a fair reward for their labor. Extreme pay gaps also endanger enterprise effectiveness. Management guru Peter Drucker believed that pay ratios can run no higher than 25-to-1 without damaging company morale and productivity. Researchers have documented that enterprises operate more effectively over the long term when they tap into — and reward — the creative contributions of all employees.

2. Eliminate taxpayer subsidies for excessive pay

Ordinary taxpayers should not have to foot the bill for excessive executive compensation. And yet they do. Government contracts and subsidies routinely make mega millionaires out of corporate executives, and tax loopholes such as the preferential treatment of investment fund managers' carried interest income perpetuate our out of control executive pay system.

3. Encourage reasonable compensation limits and counter short-termism

The greater the annual reward an executive can receive, the greater the temptation to make reckless decisions that generate short-term earnings at the expense of long-term health for the corporation and the broader economy and environment. Public policies can encourage more reasonable compensation levels without micromanaging pay levels at individual firms.

4. Bolster accountability to shareholders

On paper, the corporate boards that determine executive pay must answer to shareholders. In actual practice, top executives typically dominate corporate boards. Recent reforms have made some progress toward forcing boards to justify to shareholders the compensation they award to executives.

5. Extend accountability to broader stakeholder groups

In August 2019, the Business Roundtable declared that the purpose of a corporation is not just to serve shareholders (their official position since 1997), but "to create value for all our stakeholders." To go beyond rhetorical statements, pay practices need to encourage CEO decisions that take into account the long-term health of the planet and the interests of all corporate stakeholders, including consumers, employees, and communities.

CEO PAY REFORMS RELATED TO TAX POLICY	
Raising the tax rate on firms with wide gaps between CEO and worker pay	In addition to the two federal bill noted above (the Tax Excessive CEO Pay Act and the CEO Accountability and Responsibility Act), several cities and states have either adopted or are considering tax penalties on corporations with large CEO-worker pay gaps. The city of Portland, Oregon began collecting revenue from the world's first such tax in 2018. Firms with a business presence in Portland that pay their CEO more than 100 times their median worker pay owe an extra 10 percent of their business tax bill. Firms over 250 times face a 25 percent extra tax. San Francisco has adopted a similar tax after a successful 2020 ballot initiative. A number of state lawmakers have also proposed tying tax rates to CEO-worker pay ratios. In the UK, the Labour Party has called for a new 2.5 percent corporate tax on any executive pay that runs over 20 times the national living wage and a 5 percent tax on pay that runs over 20 times the national median wage.
Ending the preferential capital gains treatment of carried interest	Under current rules, managers of private equity, real estate, and hedge funds pay the discounted capital-gains tax rate on so-called "carried interest" (earnings tied to a percentage of the fund's profits). This income actually amounts to compensation for managing other people's investments and should be taxed as ordinary income. • Sen. Tammy Baldwin and Rep. Bill Pascrell introduced the Carried Interest Fairness Act of 2021 (S.1598/HR 1068) to eliminate the "carried interest" loophole. This legislation would generate between $12 billion and $14 billion over 10 years. • The Stop Wall Street Looting Act, (S.3022/HR 5648) would also eliminate this loophole, as part of a broader plan to end private equity's predatory practices.
A luxury excise tax on excessive CEO pay	Former CEO and corporate board veteran Steven Clifford has proposed a 100 percent tax on any pay beyond $6 million. As Clifford points out, "numerous studies have shown that large financial incentives at the CEO level harm performance by narrowing vision, limiting creativity and innovation, and focusing exclusively on short-term results."
Limiting the deductibility of excessive pay	In 1993, Congress amended the tax code to prevent corporations from deducting off their taxable income the amounts they pay top executives in excess of $1 million per executive — unless the compensation came as stock options and other forms of "performance" pay. This huge loophole encouraged corporate boards to hand out massive bonuses that dramatically widened pay gaps between corporate executives and rank-and-file workers. The 2017 Republican tax law closed this "performance" pay loophole, but only for compensation going to a corporation's CEO, CFO, and three other highest-paid employees. As part of the American Rescue and Recovery Act, Congress took another step forward by closing the loophole for compensation going to an additional five executives (10 in total). Pay above $1 million going to other highly paid employees — such as traders at large Wall Street firms — remains fully deductible. • Sens. Jack Reed (D-RI) and Richard Blumenthal (D-CT) and Rep. Lloyd Doggett (D-TX) have sponsored legislation that would extend the $1 million deductibility cap to all forms of compensation for all employees. • Rep. Barbara Lee's Income Equity Act would deny employers a tax deduction for any excessive pay that runs greater than 25 times the median compensation paid to full-time employees or $500,000. • Richard Freeman and Douglas Kruse of Harvard University and Joseph Blasi of Rutgers University have proposed that Congress only allow tax deductions for executive bonuses when corporations award as much incentive pay "to the bottom 80 percent of their workforce as they do to the top 5 percent."

Making firms pay for the dislocations excessively paid execs help cause	Firms with excessive executive pay have contributed to gentrification pressures that have made it increasingly difficult for people of modest means to find affordable housing, particularly in high-cost cities. • In 2016, San Francisco housing advocates proposed a 1.5 percent tax on the lush payrolls of the city's high-tech sector to fund affordable housing and homeless services. Firms affected would include Google, Twitter, Uber, Airbnb, and Salesforce. The proposal, fiercely opposed by the tech industry, has been stalled, as is a proposed IPO tax.
Limiting deferred pay	Most CEOs at large companies now legally shield unlimited amounts of compensation from taxes through special deferred accounts set up by their employers. By contrast, ordinary taxpayers face strict limits on how much income they can defer from taxes via 401(k) plans. These special deferred compensation plans burden U.S. taxpayers and widen the divide between executives and ordinary workers, whose pension benefits have declined significantly. • In 2007, the Senate passed a minimum wage bill that would have limited annual executive pay deferrals to $1 million, but the provision was dropped in conference committee.
Financial transaction tax	Another way to generate much-needed revenue while curbing executive excess would be through a financial transaction tax on Wall Street trades. Various legislative proposals in the Senate and the House along this line would curb the lucrative short-term speculation that has inflated Wall Street bonuses while adding no significant value to the real economy.
PAY DISCLOSURE REFORMS	
Gender pay gap disclosure	The average U.S. woman earns 83 cents for every dollar a man earns. For women of color, that ratio runs far less. African-American women earn 63 cents to every dollar a white man earns, Native American women earn 57 cents and Latina women just 49 cents. Requiring corporations to disclose their own gender pay gaps would help reveal which firms are contributing the most to gender disparities. • Congress could require U.S. corporations with 100 or more employees to disclose their gender pay gaps to the public. This would impose very little cost on companies, since a new EEOC rule requiring reporting of pay data by race and gender will be soon going into effect. The Trump administration tried to roll back this 2016 Obama reform, but a federal court defended it. That court required the EEOC to gather data from around 60,000 companies, and in February of 2020, the data collection process was closed by that same judge, with a report expected in 2021 that has not come out yet. • In the UK, where the government is already requiring gender pay gap disclosure for private and publicly held companies with over 250 employees, the Equality Trust has proposed additional gender-related reforms. These include requiring all large corporations to prepare and report on action plans for reducing their gender pay gap and requiring corporations with large gender pay gaps to conduct audits to investigate the cause of the disparities. The Equality Trust proposal would also make corporate access to government grants and contracts dependent on having a robust strategy to address gender pay inequality.
Racial pay gap disclosure	As of the first quarter of 2022, median white workers make 27 percent more than the typical Black worker, and around 33 percent more than the median Latinx worker. Requiring disclosure of racial pay gaps would reveal which corporations have the greatest pay discrepancies. • Congress could require U.S. corporations with 100 or more employees to disclose their racial pay gaps. This would impose very little cost on companies, as noted above, since a new EEOC rule is about to go into effect that requires reporting of pay data by race and gender.

CEO-worker pay gap disclosure for privately held companies	Only publicly held firms must now report to the SEC the compensation of their top executives and their CEO-median worker pay gaps. But extreme pay divides at large privately held corporations pose equally significant threats to our economic health. These divides contribute to our country's extreme economic inequality and encourage high-risk executive behavior. • The Tax Excessive CEO Pay Act would require this disclosure, as part of a tax reform. • Congress could also expand on the 2008 Government Funding Transparency Act, which requires certain federal contractors to disclose their five top-paid officers' pay. The rule applies to companies that earn at least 80 percent of their revenue from federal contracts, grants, and loans and that received $25 million in federal funding the previous year.
Disclosure of executive versus worker raises	Rep. Nydia Velázquez (D-NY) has introduced a bill, the Greater Accountability in Pay Act (H.R. 1188), which would require publicly held corporations to annually disclose the ratio between pay raises for top executives and median employees.
Increased disclosure of government support	Corporations should be required to disclose more information about how they benefit from contracts, subsidies, and specific tax breaks. How much is funneled into executives' pockets versus worker pay and other long-term investments?
PAY REFORMS TIED TO CONTRACTS, SUBSIDIES, OTHER PUBLIC SUPPORT	
Leveraging government procurement dollars to discourage excessive executive compensation	By law, the U.S. government denies contracts to companies that discriminate, in their employment practices, on race or gender. Our public policy sends the clear message that our tax dollars should not be subsidizing racial or gender inequality. We could also leverage the public purse to discourage extreme economic inequality. • Rep. Jan Schakowsky introduced the Patriotic Corporations of America Act (H.R. 4186) in 2021 to extend tax breaks and federal contracting preferences to companies that meet good behavior benchmarks, including CEO-worker pay ratios of 100-1 or less. • Rep. Mark DeSaulnier's CEO Accountability and Responsibility Act (H.R. 3301) would provide similar preferences to encourage narrow pay ratios. • Sen. Bernie Sanders released a broad pro-union Workplace Democracy Plan in August 2019 that includes a ban on federal contracts to firms with CEO-worker pay ratios of more than 150 to 1 or that outsource jobs, pay workers less than $15 an hour, or engage in union busting. • At the state level, a Rhode Island bill would give preferential treatment in state contracting to corporations that pay their CEOs no more than 25 times their median worker pay. A Connecticut bill would disqualify companies with CEO-worker pay ratios of more than 100 to 1 from gaining state subsidies and grants. • The UK Labour Party has proposed a ban on government contracts to companies that pay their top execs over 20 times what their lowest-paid workers are making.
Pay ratio-linked corporate subsidies and bailouts	All forms of federal, state, and local corporate welfare could be required to incorporate CEO-worker pay ratio guidelines in their qualification standards. • In 2015, then-Republican congressman Mick Mulvaney authored an amendment designed to prevent the U.S. Export-Import Bank from subsidizing any U.S. company with annual CEO pay over 100 times median worker pay. Mulvaney later directed the Office of Management and Budget and served as President Trump's acting Chief of Staff. While it did not become law, Mulvaney's proposal suggests potential for bipartisan action.

	• The European Union already applies similar pay ratio standards to state aid for failing banks. Bailed-out banks operating within the EU have to cap executive pay at no more than 15 times the national average salary or 10 times their average employee wage.
CEO pay limits at public (or publicly supported) institutions	In several states and countries, lawmakers and other groups have worked to crack down on executive excess at firms receiving taxpayer support. • A 2013 New York State executive order prohibits service providers that annually average over $500,000 in state support and receive at least 30 percent of their annual in-state revenue from state funds from using more than $199,000 in state funds to pay individual executive compensation. Current New York Governor Kathy Hochul has proposed that the executive order be phased out. • Unions pushed ballot initiatives in both Massachusetts and California in 2014 aimed at limiting CEO pay at hospitals that receive taxpayer subsidies. In both cases, the unions withdrew the initiatives after popular support helped them win other concessions. • Former French President François Hollande capped executive pay at firms where the government owns a majority stake at 450,000 euros, or essentially 20 times the minimum wage. It was, however, abandoned after pushback from business leaders. Management consultant Douglas Smith has called for a similar pay ratio limit on U.S. firms receiving taxpayer funds.
Fannie Mae and Freddie Mac executive pay caps	Fannie Mae and Freddie Mac are quasi-public private institutions founded by the federal government to make housing affordable for lower-income families. In 2008, with both enterprises on the verge of collapse during the housing crisis, the federal government took operating control. In 2015, Congress passed a bill to cap the paychecks of Fannie Mae and Freddie Mac CEOs at no more than $600,000. In recent years, Fannie and Freddie have exploited loopholes in the law to boost pay to as much as $4.2 million for top executives. Each enterprise has shifted duties from the pay-limited CEO position to the uncapped positions of president and other top executives. This loophole should be closed.
Rein in CEO pay at nonprofit organizations	Under the 2017 Republican tax law, nonprofits may no longer deduct executive compensation above $1 million off their federal taxes. This represents a positive step, but more could be done to ensure that taxpayers are not subsidizing excessive pay at nonprofits that already receive preferential tax status. • Economist Dean Baker has proposed that paying executives no more than $400,000 per year — the salary of the U.S. president — should become a condition of keeping nonprofit status for tax purposes. Another approach would be to set the cap at no more than 20 times the pay of a nonprofit's lowest-paid worker. • In Connecticut, a state lawmaker introduced a bill that would require nonprofit hospitals that pay executives more than $500,000 to pay property taxes.
Leveraging public pension funds to encourage narrower CEO-worker pay ratios	Public employee pension fund investments offer state governments a significant opportunity to influence corporate pay behavior. • The city of San Francisco has adopted an advisory resolution urging the San Francisco Employees Retirement System to consider executive compensation and pay ratios during decision making on investments and proxy voting. The system holds $21 billion in assets. The resolution asks the pension board to report CEO-worker pay ratios at firms where the pension system invests and to set guidelines for what constitutes "excessive" pay. • The New York State Pension Fund has a similar agreement that urges several large corporations to reexamine their CEO and executive pay and adopt policies that take into account the compensation of the rest of their workforces.

CEO PAY REFORMS LINKED TO CORPORATE GOVERNANCE	
Stock buybacks	Since 1982, SEC Rule 10b-18 has allowed corporations to repurchase their shares on the open market, with certain limitations. As William Lazonick and other analysts have pointed out, stock buybacks artificially inflate executive pay and drain capital that could be put to productive purpose. Buybacks have become a pervasive form of legal stock market manipulation. In the first year after the Republican tax cuts, U.S. corporations announced a record-setting $1 trillion of stock buybacks, and in Q4 2021, they reached quarterly all-time highs. • President Biden's latest federal budget proposal would ban top executives from selling their personal stock for a multi-year period after a buyback. Biden also supports a 1 percent excise tax on share repurchases, a levy that would generate an estimated $124 billion over 10 years. • Sen. Tammy Baldwin (D-WI) has introduced a bill that would ban open market buybacks. • Sen. Bernie Sanders (I-VT) and Rep. Ro Khanna (D-CA) have authored a bill that would prohibit buybacks where CEO pay exceeds 150 times the compensation that goes to a company's median pay. • Sen. Sherrod Brown (D-OH) has introduced a bill requiring public companies to issue a worker dividend equal to $1 for every $1 million spent on stock buybacks. Senators Cory Booker (D-NJ) and Bob Casey (D-PA) introduced a similar Worker Dividend Act.
Corporate board diversity	In at least a dozen European countries, workers have the right to representation in their company's top administrative and management bodies. This has had a moderating effect on CEO pay levels. In Germany, a nation with one of the world's most highly developed systems for including workers in corporate decision-making, average CEO pay levels ran less than half the U.S. average in 2018, according to recent research. In a 2018 poll of likely U.S. voters, 52 percent support placing workers on major corporate boards and only 23 percent stand opposed. • Sen Elizabeth Warren (D-MA) has introduced the Accountable Capitalism Act to require corporations with annual revenues over $1 billion to allow employees to pick at least 40 percent of board members.
Signing and merger bonus ban	"Golden hellos" and merger bonuses give executives a powerful incentive to wheel and deal instead of working to build enterprises fit for long-term success. In 2013, Swiss voters adopted a national ballot initiative that, among other provisions, prohibits executive sign-on and merger bonuses.
'Skin in the game' mandate	Small-scale entrepreneurs seldom behave recklessly because they have their own personal wealth tied up in their business. Executives of large corporations, on the other hand, face little downside risk for irresponsible behavior. • In September 2019, Rep. Katie Porter (D-CA) introduced a bill requiring publicly held corporations to disclose whether they have established procedures to recoup compensation from top executives to cover the cost of fines or penalties against their company. • Investment adviser Vincent Panvini has proposed that executives be required to place a share of their own financial assets in escrow for five or ten years. If a CEO's company loses value over that time, the CEO would forfeit money from that escrow.
A CEO pay limit for firms in bankruptcy	Private equity funds have been connected to a rash of bankruptcies in recent years, particularly in the retail sector. A significant portion of the companies that have filed for bankruptcy carried huge debt loads left over from leveraged buyouts by private equity firms. This trend has sparked increased interest in ensuring that CEOs and other executives at distressed firms do not enrich themselves while eliminating jobs and pensions.

	• The Stop Wall Street Looting Act builds on the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Sec. 331). This existing law prohibits companies in bankruptcy from giving executives any “retention” bonus or severance pay that runs over ten times the average bonus or severance awarded to regular employees in the previous year. The new bill would strengthen this legislation by: 1) closing a loophole that exempts “performance-based pay” and expanding the ban beyond top executives to the next 20 most highly paid employees, consultants, and department heads (Sec.304). 2) banning special payments to high-level executives if the company has not paid promised severance pay to employees or has reduced employee benefits within the year before declaring bankruptcy (Sec. 305). 3) blocking courts from approving a bankruptcy exit plan if top executives will receive payments either excessive or not generally applicable to other employees (Sec. 306).
Abolish executive performance pay	At best, stock options and other performance-pay incentives have CEOs thinking more about their own personal rewards than long-term enterprise sustainability. At their worst, “pay for performance” deals encourage criminal behavior. • Michael Dorff of the Southwestern Law School has proposed a ban on “performance pay.” • Bart Naylor of Public Citizen has proposed that stock options be banned as a form of compensation for financial firm employees. Short of that, Naylor argues they should at least be kept — and not cashed in — for at least two years after retirement.
‘Say on Pay’ with teeth	Under the 2010 Dodd-Frank law, U.S. shareholders gained the right to a non-binding vote on executive pay packages. Several options could further empower shareholders. • Make say on pay votes binding. In 2021, shareholders at at least 70 companies voted down executive compensation packages, but corporations are free to ignore those votes. • The UK already requires public companies to give shareholders a binding vote on compensation every three years. A former EU internal markets commissioner proposed that shareholders also have the power to vote on the ratio between the lowest and highest-paid employees in a firm. • In Australia, shareholders have the power to remove directors if a company's executive pay report gets a “no” vote from at least 50 percent of shareholders. • Dean Baker of the Center for Economic and Policy Research has proposed that corporate directors have their compensation denied if a CEO pay package they have approved fails to gain a majority in a “say on pay” vote.
Clawbacks	Executives should not get to keep compensation based on unachieved performance goals. • Section 954 of the 2010 Dodd-Frank law requires executives to repay compensation gained as a result of erroneous data in financial statements. Executives must repay “excess” incentive compensation received during the three-year period preceding an accounting restatement. Clawback provisions in the earlier Sarbanes-Oxley Act only apply to restatements resulting from misconduct. The SEC issued a proposed rule for this provision in 2015, but no further action was taken until Biden regulators called for another round of comments in October 2021. Under UK rules, the clawback period is 10 years.

WALL STREET PAY REFORMS	
Pay restrictions on executives of large financial institutions	Executive compensation played a key role in the reckless behavior that led to the 2008 financial crash. In response, Section 956 of the 2010 Dodd-Frank financial reform law prohibits large financial institutions from granting incentive-based compensation that “encourages inappropriate risks.” But federal regulators have still not implemented this provision. After issuing a quite weak initial proposal in 2011, regulators issued a new proposal in 2016. As the Institute for Policy Studies explained in comments to the SEC, the proposed rule rates as weak in several areas. The rule, for instance, proposes much too lenient bonus deferral periods, inadequately restricts stock-based pay, and allows management too much discretion over enforcement. As noted above, some experts argue that stock options should be abolished entirely for financial executives because they encourage short-termism. In 2021, the SEC put this rule back on their work agenda.
Require top financial execs to contribute compensation in a fund to pay for penalties	Following the 2008 financial crash, senior banking executives were not held personally responsible for fraudulent activity, leaving shareholders to shoulder the financial penalties. • A 2019 bill would require senior executives of large banks to place a substantial share of their pay each year into a “deferment fund” for 10 years. The amount to be deferred would be at least 50 percent of all executive compensation that exceeds 10 times median employee pay. If the bank faces civil or criminal fines, these penalties would be paid out of this fund. The bill draws on a New York Federal Reserve proposal, based on the argument that deferring pay would help change the reckless culture on Wall Street and motivate managers to police one another.
Banker bonus limits	• EU rules introduced in 2014 limit banker bonuses to no more than annual salary, or up to 200 percent of annual salary with shareholder approval. The cap applies to bankers in non-EU banks located in the EU, as well as senior staff — including Americans — working for EU-based banks anywhere in the world. This reform aims to help counter the “bonus culture” that encourages high-risk investing.
Strict caps on executive compensation for bailout firms — before the next crisis	• In 2009, the Senate approved an amendment that would have capped pay at bailout companies at $400,000, the salary of the U.S. president, but it stalled in the House. Covid-related bailouts adopted in March 2020 for the airlines and others included only very weak restrictions, allowing CEOs to continue to pocket mega-million-dollar paychecks. We could learn something from the EU, where bailed-out banks have to cap their executive pay at no more than 15 times the national average salary or 10 times the wage of the average worker at the bank. UK rules ban bonuses for executives of banks receiving bailouts. Given a warning about the consequences for their own paychecks, execs might think twice about taking actions that endanger their own future — and ours.
Cracking down on investment fund manager ‘monitoring’ fees	Private equity fund managers make a killing off the so-called “monitoring” or “transaction” fees they charge corporations they have taken over through leveraged buyouts that typically drain value from the acquired enterprise. • The Stop Wall Street Looting Act applies a 100 percent tax on such fees paid by acquired firms to private fund managers.

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