NEWS from the Institute for Policy Studies

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Executive Excess 2023

New report finds the ‘Low-Wage 100’ large corporations have spent more than $340 billion on stock buybacks since 2020

Washington, D.C. — A new Institute for Policy Studies report reveals staggering stats on the disparities within the 100 S&P 500 corporations that had the lowest median worker pay levels in 2022, a group we’ve dubbed the “Low-Wage 100.”

Key findings:

1. The CEO-worker pay gap at the Low-Wage 100 averaged 603 to 1 in 2022
   ● Chief executives in this group raked in $15.3 million on average in 2022, while median worker pay averaged just $31,672.
   ● Live Nation Entertainment had the fattest CEO paycheck and the widest pay gap. Michael Rapino hauled in $139 million, 5,414 times as much as his firm’s median of $25,673.

2. The Low-Wage 100 have spent more than $340 billion on stock buybacks since 2020
   ● Between January 1, 2020 and May 31, 2023, 90 of the Low-Wage 100 reported combined stock buyback expenditures of $341.2 billion. This maneuver artificially inflates executive stock-based pay and siphons funds from worker wages and other productive investments.
   ● Lowe’s led the buybacks list, spending $34.9 billion on share repurchases over the past three and a half years. In 2022 alone, Lowe’s spent more than $14.1 billion on buybacks — enough to give every one of its 301,000 U.S. employees a $46,923 bonus.
   ● Home Depot came in second, with $28.9 billion in stock buybacks since January 2020, and Walmart ranks third, with $23.9 billion.

3. During their stock buyback spree, Low-Wage 100 CEOs’ personal stock holdings increased more than three times as fast as their firms’ median worker pay
   ● The CEOs of the 90 low-wage S&P 500 companies that have spent funds on buybacks since 2020 have amassed approximately $14.9 billion worth of their company stock.
- At the 65 buyback companies where the same person held the top job between 2019 and 2022, the CEOs’ personal stock holdings soared 33 percent to an average of $184.7 million. Median pay at these firms rose only 10 percent to an average of $31,972. (not adjusted for inflation)
- FedEx CEO Frederick Smith has the largest stockpile in the Low-Wage 100. His personal holdings have grown 65 percent to more than $5 billion since January 2000. By contrast, FedEx median worker pay fell by 20 percent to $39,177 (including $9,267 in health benefits) between 2019 and 2022.

4. Over half of the Low-Wage 100 receive taxpayer-funded federal contracts
- Of the 100 companies in our sample, 51 received federal contracts worth a combined $24.1 billion during fiscal years 2020-2023. These low-wage federal contractors spent nearly $160 billion on stock buybacks over the course of these years.
- In 2022, the average CEO pay in this low-wage contractor group stood at $12.7 million, 56 times as much as the salary of a Biden administration cabinet secretary. This group’s CEOs averaged 438 times their $34,550 median worker pay.
- Amazon is the largest contractor in the Low-Wage 100, with at least $10.4 billion in federal deals in the past few years, mostly from a National Security Agency web services contract.

This 29th edition of the annual IPS Executive Excess series highlights recent Congressional and Biden administration actions to rein in CEO pay, including a new 1 percent excise tax on stock buybacks and semiconductor subsidy preferences for firms that forego all share repurchases.

“These are serious responses to public outrage over today’s extreme CEO-worker pay gaps,” says report author Sarah Anderson, director of the IPS Global Economy Project and co-editor of the IPS site Inequality.org. “But policymakers could do much more to narrow the divides — including through executive action. President Biden should wield the power of the public purse to push all corporate recipients of taxpayer money to narrow their pay gaps, stop wasting money on buybacks, and respect worker rights.”

The full Executive Excess 2023 report, including a table with detailed data on the Low-Wage 100 corporations, will be available online on Thursday, August 24 at 12:01 AM ET at: https://ips-dc.org/report-executive-excess-2023

About the author: Sarah Anderson directs the Global Economy Project at the Institute for Policy Studies and co-edits the IPS web site Inequality.org. She has been the lead author on all 29 of the Institute’s annual Executive Excess reports and testified before the Senate Budget Committee on this issue in 2021 and 2012. Her executive compensation analysis has been featured recently in the Wall Street Journal, CNN, ABC News, the New York Times, and many other outlets.

The Institute for Policy Studies is a multi-issue research center that has conducted path-breaking research on executive compensation for more than 20 years. IPS also provides a constant stream of inequality analysis and solutions through our Inequality.org web site and weekly newsletter.