



America's 20 Largest Low-Wage Employers and the Affordability Crisis

March 2026

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Key findings

This report analyzes the 20 largest employers of low-wage U.S. workers, a group we've dubbed the "Low-Wage 20." These firms all rank among the S&P 500 and together they employ approximately 6.7 million people in the United States.

The Low-Wage 20 are using public assistance as corporate welfare

These companies' low-wage business models have left many of their workers with no choice but to rely on public assistance. The need for more equitable pay practices at these firms is even greater in the face of deep cuts to federal anti-poverty programs.

- 15 of the Low-Wage 20 reported median pay in 2024 below the \$35,631 income limit for a family of three to be eligible for **Medicaid** in most states.¹
- 13 of these 20 firms reported median pay below the \$33,576 threshold for a family of three to be eligible for **SNAP food aid** in 2024.
- In Nevada, **Walmart** had **4,574** employees, **29.3 percent** of their employees in that state, enrolled in Medicaid in 2024. Extrapolating this data to the national level suggests that Walmart likely has around 468,800 employees on Medicaid.
- **Amazon**, the second-largest U.S. private sector employer, had **8,951** employees on Medicaid in Nevada in 2024, making up **48.4 percent** of all Amazon employees in that state. If Nevada is representative of the e-commerce giant's national pay practices, roughly 577,000 Amazon employees are likely on Medicaid.
- Four state governments (Colorado, Massachusetts, Illinois, and Michigan) have disclosed SNAP data revealing that **Walmart** had a total of 10,920 employees enrolled in this food aid program in these states. **Amazon** had the second-largest number of employees on SNAP, with 9,633, followed by **Dollar Tree**, with 5,021.

The Low-Wage 20 are contributing to the affordability crisis

- Half of Low-Wage 20 firms reported a **decline in their median pay** between 2019 and 2024, after adjusting for inflation. Average median pay for the group dropped 4.6 percent, from \$30,474 (in 2024 dollars) to \$29,087.
- All 20 of these firms reported 2024 median pay below **\$59,600**, the income level needed to afford the U.S. average rent for a **two-bedroom apartment**.²



- 7 out of the 20 firms have median pay below [\\$25,533](#), the average price of a **used car**.
- 16 out of the 20 have median pay below the [\\$44,961](#) average annual cost for **tuition and fees at a private college** and 7 have median income lower than the [\\$25,415](#) average cost of attending a public university as an out-of-state student.

The Low-Wage 20 are enriching CEOs while paying poverty wages

- Average **CEO pay** at these 20 low-wage firms hit \$18.6 million in 2024, just shy of the [\\$18.9 million](#) average for S&P 500 CEOs as a whole. Their average **CEO-median worker pay ratio** stood at a staggering 899 to 1, compared to the S&P 500 average of [285 to 1](#).
- At least **16 U.S. billionaires** owe their wealth to companies in the Low-Wage 20. These individuals, which include both current and former top executives and dynastic heirs, include eight associated with Walmart, two with Amazon and Tyson Foods, and one each with Home Depot, Best Buy, Starbucks, and Chipotle.
- The Low-Wage 20 companies combined spent \$260 billion on **stock buybacks** between 2019 and 2024. This financial maneuver artificially inflates the value of CEO stock-based pay while siphoning resources from worker wages and other productive investments.
- With the \$32.5 billion these firms spent on buybacks in 2024 alone, they could've lifted more than **1 million workers** making the Low-Wage 20's average median wage of \$29,087 up to the \$59,600 income level needed to afford the U.S. average rent for a two-bedroom apartment.
- Half of Low-Wage 20 companies spent more on stock buybacks to pump up short-term share values than on **long-term capital investment** between 2019 and 2024.



Introduction: The Low-Wage 20 and the affordability crisis

While CEO pay at large U.S. corporations remains in the stratosphere, low-wage workers are struggling with both high costs for basic needs and the gutting of our nation’s social safety net.

The “One Big Beautiful Bill” combines tax cuts for the rich with deep cuts to Medicaid and the SNAP food program. Under this 2025 law, the Congressional Budget Office expects [7.5 million](#) Americans to lose Medicaid and [4 million](#) to lose some or all of their SNAP benefits. These projections are based on the expectation that many low-wage workers will lose benefits simply because [red tape](#) related to new work requirements will make it difficult to prove their employment status.

Solving the current “affordability crisis” will require safety net repairs and better ways to control basic costs. But to fix this problem for the long-term, we need to put an end to the poverty wage business model that is all too prevalent in Corporate America.

This report analyzes the 20 largest employers of low-wage U.S. workers, a group we’ve dubbed the “Low-Wage 20.” To identify these firms, we started with the S&P 500 index of the country’s largest publicly held corporations. From this group we extracted the 100 companies that reported the lowest median wages in 2024 (see our in-depth report on those 100 firms [here](#)).

To connect corporate wage practices to the affordability crisis in the United States, we then gathered employee location data on these firms to identify the 20 largest employers of *U.S.-based* low-wage workers. This step was necessary because the median pay figures companies report in their proxy statements are based on their *global* workforce.

The Low-Wage 20 companies combined employ approximately 6.7 million people in the United States. Their median wages in 2024 ranged from \$9,602 (Ross Stores) to \$47,607 (MGM Resorts). The Low-Wage 20 includes 14 retail corporations, three food service providers, a meat processor, a hotel chain, and a package delivery business.

Low-Wage 20 workers are largely non-unionized, with a few exceptions. Collective bargaining agreements cover [nearly two-thirds](#) of Kroger employees, [nearly 60 percent](#) of MGM Resort employees, [27 percent](#) of Tysons employees, and about [8 percent](#) of Costco employees. Workers at hundreds of Starbucks stores and one U.S. Amazon warehouse have voted to unionize, but management has refused to negotiate contracts.



The Low-Wage 20

	Low-Wage 20 Company	CEO	CEO pay	Median pay	CEO-worker pay ratio	US employees	Stock buybacks, 2019-2024 (\$million)
1	Amazon	Andrew Jassy	\$1,596,889	\$37,181	43	1,192,263	6,000
2	Autozone	Philip Daniele	\$9,198,465	\$30,637	300	122,935	17,515
3	Best Buy	Corie Barry	\$16,150,300	\$31,141	518	75,170	6,671
4	Chipotle	Scott Boatwright	\$19,140,000	\$16,666	1,148	127,820	3,135
5	Costco Wholesale	Ron Vachris	\$12,354,831	\$47,092	262	219,000	2,754
6	Darden Restaurants	Ricardo Cardenas	\$12,004,427	\$22,755	527	186,000	2,567
7	Dollar General	Todd Vasos	\$2,152,357	\$18,951	114	185,804	8,964
8	Dollar Tree	Michael Creedon	\$9,246,835	\$15,602	592	209,517	3,098
9	FedEx	Rajesh Subramaniam	\$12,398,210	\$42,990	288	370,000	7,731
10	Home Depot	Edward Decker	\$15,574,678	\$35,196	443	419,600	37,861
11	Kroger	Rodney McMullen	\$15,631,028	\$34,213	457	409,000	9,647
12	Lowe's	Marvin Ellison	\$20,164,912	\$30,606	659	268,000	46,611
13	MGM Resorts Intl	William Hornbuckle	\$15,819,584	\$47,607	332	63,000	9,565
14	O'Reilly Automotive	Brad Beckham	\$2,829,492	\$31,854	89	89,648	14,506
15	Ross Stores	Barbara Rentler	\$16,994,251	\$9,602	1,770	107,000	5,355
16	Starbucks	Brian Niccol	\$95,801,676	\$14,674	6,666	211,000	18,185
17	Target	Brian Cornell*	\$20,407,603	\$27,090	753	440,000	13,499
18	TJX	Ernie Herrman	\$23,482,528	\$15,002	1,565	273,717	11,182
19	Tyson Foods	Donnie King	\$22,773,094	\$43,417	525	119,901	1,631
20	Walmart	Doug McMillon**	\$27,408,854	\$29,469	930	1,600,000	35,322
	TOTAL					6,689,375	261,799
	AVERAGE		\$18,556,501	\$29,087	899		13,090

Notes: All data are for 2024, except for stock buybacks figures, which cover the 6-year period of 2019-2024.
*retired February 1, 2026. **retired January 31, 2026.

Sources: CEO pay, median pay, pay ratio: corporate proxy statements and AFL-CIO [Paywatch database](#). U.S. employees: 10-K reports and proxy statements, with the exception of [Amazon](#) and [TJX](#). For those firms we found the figure for 2024 U.S. employees in their EE-O1 reports. Stock buybacks: [WSJ Markets](#) data.



Using public assistance as corporate welfare

When corporations can get away with shifting their employees' basic living costs onto taxpayers, this is a form of corporate welfare. It means taxpayers are subsidizing business models based on poverty wages.

Nationwide, about **10 percent** of U.S. workers live in households where someone received SNAP benefits over the past year, and about the **same share** of working people get their health insurance through Medicaid.

Corporations are not required to disclose the precise number of their employees on public assistance. But the median wage figures publicly held corporations report every year to the SEC provide a useful indicator of corporate reliance on these aid programs.



Interactive version of this chart available [here](#).



Thirteen of the Low-Wage 20 firms reported median pay in 2024 below that year’s \$33,576 income limit for a family of three to be eligible for SNAP. At 15 of the firms, median pay fell below the \$35,631 threshold for a family of three to be eligible for Medicaid in most states.³

Under the Affordable Care Act, companies with 50 or more employees face potential penalties if they do not offer affordable insurance to staff working an average of 30 hours or more per week. Most Low-Wage 20 companies provide no or only minimal health benefits to workers who average less than 30 hours a week. The exact number of workers falling below that threshold is not public information.

Walmart, for example, reports that [32 percent](#) of their frontline “associates” work part time. But the company defines part time as less than 34 hours per week and they don’t reveal how many associates fall below their 30-hour threshold to qualify for health benefits.

Even if Walmart employees do qualify for employer-based insurance, the [costs are still high](#). The cheapest Walmart-sponsored plan for a single nonsmoker works out to \$995 per year. For a family, the cheapest option comes to \$5,900, the equivalent of 20 percent of Walmart’s median pay in 2024. Recent [analysis](#) of 19 states found that average spending on premiums and deductibles for employer-based family coverage averaged 10 percent of state median income.

High costs like these explain why it would make sense for Low-Wage 20 workers who meet Medicaid income requirements to enroll in that program, even if they are eligible for employer-based health insurance. Medicaid usually has no monthly premium and offers lower copayments than employer-sponsored plans.

Just five Low-Wage 20 firms reported median wages in 2024 that exceeded the family-of-three income limits for Medicaid and SNAP. One of them is Amazon, where the \$37,181 median just barely exceeded those thresholds. With half of their employees earning less than that amount, a significant share of Amazon’s 1.2 million U.S. employees no doubt have to rely on public assistance. The state government data below verifies this, as does a 2023 University of Illinois [survey](#), which found that 23 percent of Amazon warehouse workers nationwide had used SNAP benefits in the previous three months.

Aside from Amazon, the other Low-Wage 20 companies with median wages above the Medicaid limit for three-family households are Costco, FedEx, MGM Resorts, and Tysons. As noted in the introduction, these four are among the five Low-Wage 20 firms that have at least some employees covered by collective bargaining agreements.



The inequality of employer health benefits

Research from the KFF health policy organization makes clear that even when low-wage workers are eligible for their employer health plans, they often cannot afford to participate. Coverage is especially sparse in retail, the dominant sector in the Low-Wage 20.

The Economic Divide in Employer Health Benefits		
	Share of workers eligible for employer health benefits	Share of workers covered by company health benefits
Corporations with a relatively large share of lower-wage workers	67%	43%
Corporations with a smaller share of lower-wage workers	83%	64%
Retail corporations	53%	34%

Source: KFF, [2025 Employer Health Benefits Survey](#).

State-level data

A handful of U.S. state governments have disclosed data that sheds additional light on the extent of the Low-Wage 20’s reliance on public assistance programs.

Medicaid enrollees at Nevada’s largest employers

Nevada has a unique law that requires that state’s government to collect and publish data on the number of Medicaid enrollees among the employees of large firms. Walmart and Amazon topped the list in 2024.⁴

Walmart, the survey shows, had **4,574** Nevada employees enrolled in Medicaid in 2024. Those enrollees represent **29.3 percent** of all Walmart employees in Nevada, a state with **Medicaid enrollment** and **median income levels** on par with national averages. Extrapolating this Nevada data to the national level suggests that Walmart likely has around 468,800 employees on Medicaid.

Amazon, the second-largest U.S. private sector employer, had **8,951** employees on Medicaid in Nevada in 2024, making up **48.4 percent** of all Amazon employees in that state. If Nevada is representative of the e-commerce giant’s national pay practices, roughly 577,000 Amazon employees are likely on Medicaid.



SNAP enrollees at major employers in four states

The media organization [More Perfect Union](#) recently sent open records requests to all 50 state governments asking for information about employers and the number of workers they have enrolled in the SNAP food assistance program. Three states (Colorado, Illinois, and Michigan) responded to their request and another (Massachusetts) provided this information to a [different media outlet](#).

Among the Low-Wage 20 firms, Walmart and Amazon once again topped the lists, followed by Dollar Tree, Target, FedEx, and Home Depot.⁵

Low-Wage 20 Companies with the Largest Number of Employees on SNAP					
	Colorado	Massachusetts	Illinois	Michigan	Total on SNAP in these states
Walmart	1,934	2,318	4,528	2,140	10,920
Amazon	2,309	2,456	2,998	1,870	9,633
Dollar Tree (includes subsidiary Family Dollar)	684	1,299	1,593	1,445	5,021
Target	584	833	1,292	339	3,048
FedEx	683	427	1,378	396	2,884
Home Depot	444	856	443	470	2,213

More Perfect Union points out that many food retailers not only rely on SNAP to make up for the low wages they pay their workers, but they also benefit when people use food stamps to buy groceries in their stores. According to a [Numerator survey](#) covering the 12 months ending July 31, 2025, Walmart ranked #1 for SNAP benefit redemption, receiving nearly 26 percent of all SNAP dollars. Several other Low-Wage 20 firms garnered significant shares, including Kroger (9.1 percent), Costco (6.2 percent), Dollar General (2.6 percent), and Dollar Tree (slightly less than 2 percent).



Contributing to the affordability crisis through a low-wage business model

A recent survey found that [87 percent](#) of Americans believe the country is in the midst of a cost-of-living crisis. Another poll found that [nearly half](#) of Americans are having difficulty affording groceries, utility bills, health care, housing, and transportation.

As [Heidi Sheirholz](#) of the Economic Policy Institute and other economists have rightly pointed out, the affordability crisis has two sides: 1) increased costs related to global conflicts, the pandemic, and tariffs and 2) the long-term suppression of worker pay. The problem of stagnant wages — and large corporations’ contribution to this problem — deserve much more attention in the affordability debate.

Because housing prices have increased far faster than worker wages, millions of Americans are unable to afford a place to live, including many who have been working a full-time job or a number of part-time jobs. The median pay in 2024 at every single Low-Wage 20 firm fell below [\\$59,600](#), the income level needed that year to afford the U.S. average rent for a two-bedroom apartment.⁶

With our nation’s woefully insufficient public transit infrastructure, access to a reliable vehicle is critical for many workers to get to their job and for other essential travel, such as grocery shopping, seeing a doctor, or transporting children. At seven Low-Wage 20 firms, median pay in 2024 was below [\\$25,533](#), the average price of a used car.

Poverty wages make it extremely challenging for low-income families to afford the cost of sending their kids to college. Among Low-Wage 20 firms, 16 have median pay that is below the [\\$44,961](#) average annual cost for tuition and fees at a private college and 7 have median income lower than the [\\$25,415](#) average cost of out-of-state tuition and fees at public universities.

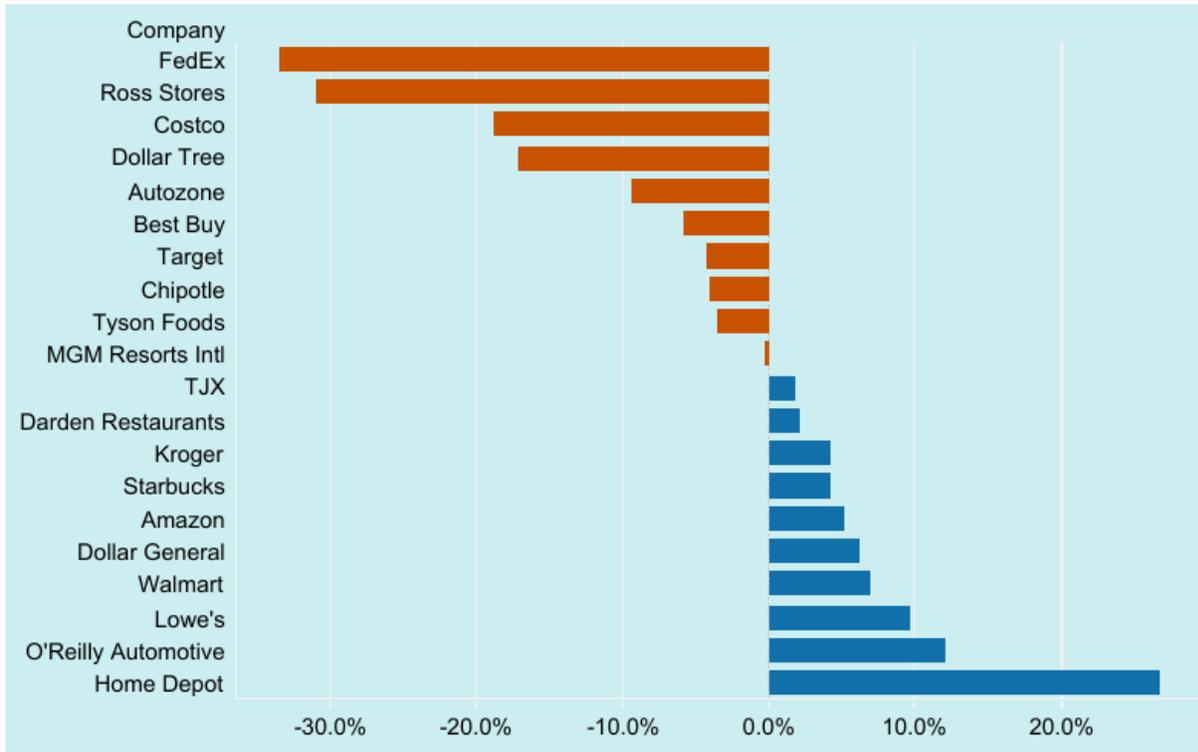
Our analysis of the Low-Wage 20 found that at half of these firms, median pay actually declined in real terms between 2019 and 2024. Average median pay for the group as a whole dropped 4.6 percent, from \$30,474 (in 2024 dollars) to \$29,087.

Companies are not required to explain changes in their median pay in SEC filings. For a few firms with wage declines, we were able to find clues from other sources. At FedEx, for example, real median pay was down by 33.5 percent in 2024 over 2019 after the delivery company slashed more than 10,000 jobs, including [10 percent](#) of the relatively highly paid officer and director teams.



Median Pay Has Dropped at Half of Top 20 Low-Wage Firms

Percent change in median pay, 2019-2024 (adjusted for inflation)



Source: Institute for Policy Studies analysis of company proxy statements

Interactive version of this chart available [here](#).

Costco's 18.8 percent decline in real median pay between 2019 and 2024 appears to have resulted from [pandemic-related](#) staffing issues. During that crisis the big box retailer experienced a surge in demand that coincided with a significant exodus of experienced employees. To fill the gap, the retailer hired entry-level workers at lower pay rates than long-tenured staff.

In other cases, declines in median pay might reflect increases in the share of a company's employees who are working part time. SEC guidelines require companies to include both full-time and part-time employees in their calculation of median pay and they are not allowed to convert part-time employees into full-time equivalents. Companies are free to provide additional information in their proxy statements to disaggregate pay levels by employment status, but few S&P 500 corporations do so.



Enriching CEOs while paying poverty wages

When workers at large profitable corporations have to rely on public assistance to get by, taxpayers are subsidizing business models that are designed to funnel corporate resources from the bottom to the top. This means taxpayers are often subsidizing obscenely large paychecks, private jets, and other extravagant perks for CEOs.

By subsidizing the poverty wage business model, taxpayers are also indirectly subsidizing low-wage employers' massive spending on stock buybacks, a financial maneuver that artificially inflates the value of a company's shares. This, in turn, inflates the value of the stock-based pay that makes up the bulk of CEO compensation.

CEO Pay

In 2024, average CEO pay at the Low-Wage 20 hit \$18.6 million, just shy of the [\\$18.9 million](#) average for S&P 500 CEOs as a whole. Their average CEO-median worker pay ratio stood at a staggering 899 to 1, compared to the S&P 500 average of [285 to 1](#).

Amazon recorded the narrowest pay gap in the Low-Wage 20, but these figures are misleading. While the e-commerce giant's CEO, Andrew Jassy, took in relatively modest compensation in 2024, he has received massive multi-year stock awards in past years. The company's most recent proxy statement shows Jassy sitting on Amazon stock worth around \$467 million as of February 2025. Amazon founder and current executive chair Jeff Bezos, of course, is one of the world's richest men (see Low-Wage 20 Billionaires table on p. 12)

Starbucks tops the CEO pay list

The highest-paid CEO in the Low-Wage 20 in 2024 was Brian Niccol of Starbucks. After taking the helm in September of that year, he raked in stock grants and other compensation valued at \$95.8 million. By contrast, Starbucks median pay stood at \$14,674, for a CEO-worker pay ratio of 6,666 to 1.⁷

One indicator of Starbucks's meager wages: [45 percent](#) of employees eligible for the company 401(k) plan had zero balances in their plan accounts as of 2024. Starbucks [matches the first 5 percent](#) of the pay employees contribute into 401(k) accounts. But their employees — like many low-wage workers — have a hard time setting aside *any* money for their future.

The coffee chain's median pay rose just 4.2 percent in real terms between 2019 and 2024, a period of growing employee discontent that has seen Starbucks workers vote to unionize at



more than [570 stores](#). During that same six-year period, the coffee giant spent \$18.2 billion on stock buybacks, money that could've gone towards worker wages or other productive investment.

Stock buybacks

Low-Wage 20 companies as a whole spent \$260 billion on stock buybacks between 2019 and 2024. With the \$32.5 billion these firms spent on buybacks in 2024 alone, they could've lifted more than 1 million workers making the Low-Wage 20 average median of \$29,087 up to the \$59,600 income level needed to afford the U.S. average rent for a two-bedroom apartment. Alternatively, with the amount spent on buybacks in 2024 they could've given 1.3 million workers a \$25,533 bonus — enough to cover the average cost of a used car.

Half of Low-Wage 20 companies actually spent more on stock buybacks than on long-term capital investment between 2019 and 2024. If they could not identify long-term investment opportunities, these companies could've instead invested in their workforces rather than wasting resources on CEO pay-inflating stock buybacks.

Lowe's and Home Depot top the buybacks list

The country's two leading home improvement chains have been on a massive buyback spree. Lowe's spent \$46.6 billion on share repurchases from 2019 through 2024. That sum could have funded, over that span, an annual wage increase of \$28,987 for each of the firm's 268,000 U.S. employees. In 2024, Lowe's CEO Marvin Ellison enjoyed a total compensation of \$20.2 million, a reward for his labor that amounted to 659 times the retailer's \$30,606 median annual worker pay.

Lowe's competitor Home Depot made the second-largest outlay on stock buybacks. The big-box chain spent \$37.9 billion on share repurchases between 2019 and 2024. That sum would have been enough to give each of Home Depot's 419,600 U.S. employees six annual \$15,039 bonuses. Home Depot's median pay in 2024: just \$35,196.



The Billionaires of the Low-Wage 20

At least 16 U.S. billionaires owe their wealth directly to companies in the Low-Wage 20. These former or current executives and dynastic heirs have accumulated gargantuan personal fortunes on the backs of workers who often have to rely on public assistance to get by.

Corporate source of wealth	Billionaires	Net worth in 2025 (\$ billions)
1. Amazon	Jeff Bezos	\$215
2. Walmart	Rob Walton	\$110
3. Walmart	Jim Walton	\$109
4. Walmart	Alice Walton	\$101
5. Walmart	Lukas Walton	\$37.9
6. Amazon	MacKenzie Scott	\$28.2
7. Walmart	Christy Walton	\$18.5
8. Walmart	Nancy Walton Laurie	\$14.7
9. Walmart	Ann Walton Kroenke	\$12.6
10. Home Depot	Arthur Blank	\$9
11. Walmart*	Drayton McLane Jr	\$4
12. Best Buy	Richard Schulze	\$4.3
13. Starbucks	Howard Schultz	\$3.5
14. Tyson Foods	John Tyson	\$2.9
15. Tyson Foods	Barbara Tyson	\$2.5
16. Chipotle	Steve Eells	\$1

*McLane became a billionaire after selling his grocery distribution business to Walmart for a significant share in the retailer. Source: [Forbes World Billionaires List 2025](#).



Policy options

In this time of high economic anxiety for those at the bottom of the income ladder, it's more important than ever that corporations share their wealth equitably. Policymakers at all levels of government should take action to help build worker power and lift wages so that everyone in the world's richest country can afford basic necessities.

Adopting 'Bad Business Fees'

This proposal addresses head on the problem of companies using corporate welfare to subsidize their low-wage business models. It would impose significant fines on companies that pay wages so low their workers are forced to depend on public assistance.

Under a model for a state-level Bad Business Fee developed by Jobs with Justice, elected boards of community stakeholders would decide how the revenue is spent. Options could include subsidizing worker wages so that they do not need to use social safety net programs, covering the cuts to those safety net programs, or otherwise meeting the needs of low-wage workers and their communities.

This would strengthen democracy on multiple fronts, [notes](#) Adam Shah of Jobs with Justice in a recent op-ed. "First," he explains, "it ensures that states and localities can maintain basic protections regardless of what happens at the federal level. Second, it promotes the practice of democracy by giving communities direct control over how public money is spent—replacing cynicism with real civic power. Third, it would strengthen the economic portion of our democracy. Companies would be incentivized to work directly with and respond to their employees' requests for fair wages and adequate benefits, giving workers the voice and dignity they deserve."

As one step forward, state governments should adopt disclosure laws along the lines of the [Nevada statute](#) that requires the publication of an annual report listing major employers in the state and the number of their employees enrolled in Medicaid. Ideally, these laws would require disclosure of all employees, whether they are working full or part time, and cover additional public aid programs.

Strengthening labor rights protections

When employees of Low-Wage 20 corporations try to unionize to bargain collectively for higher pay, they typically face aggressive anti-union tactics and weak enforcement of their rights. The most obvious examples: Amazon and Starbucks workers who voted to unionize four years ago



are *still* waiting for their employers to negotiate first contracts, despite numerous National Labor Relations Board rulings over rights violations.

Policymakers at the [federal](#) and [state](#) levels should consider comprehensive labor reforms that expand worker rights to organize, penalize employer violations, facilitate first-contract negotiations, and prohibit employer interference in organizing, among other improvements.

Another promising approach would involve [denying corporate tax deductions](#) for expenses related to union-busting activities, such as so-called “captive audience meetings” and anti-union advertising campaigns.

Raising minimum wage levels

The U.S. Congress has not raised the federal minimum wage for 16 years, the longest period of wage inaction in history. Thirty states and D.C. have raised their state minimums above the federal floor. But that still leaves a significant share of the U.S. workforce in states where the minimum wage is still stuck at \$7.25 per hour.

Minimum wage hikes not only help those at the bottom of the wage scale. They also tend to boost pay for those higher up the scale, such as Low-Wage 20 employees who are likely making more than \$7.25 but still not earning enough to cover basic costs.

Subjecting corporations with huge CEO-worker pay gaps to higher tax rates

Higher tax rates on companies with wide CEO-worker pay gaps would create an incentive to both rein in executive pay and raise worker wages, all while generating significant new capital for vital public investments. Members of the U.S. Congress have introduced several bills that would impose tax penalties on companies with huge pay gaps, including the [Tax Excessive CEO Pay Act](#), the [CEO Accountability and Responsibility Act](#), and the [Curtailing Executive Overcompensation \(CEO\) Act](#).

[Two major cities](#), San Francisco and Portland, Oregon, already apply such taxes on corporations operating in their jurisdictions, and campaigns are underway to increase the existing San Francisco tax and introduce a new “Overpaid CEO Tax” in Los Angeles through ballot measures in 2026.

A [2024 survey](#) found that 80 percent of Americans favor a tax hike on corporations that pay their CEOs over 50 or more times more than what they pay their median employees.



Taxing and restricting stock buybacks

A [1 percent federal excise tax](#) on the repurchase of corporate stock went into effect in 2023. A Senate bill, the [Stock Buyback Accountability Act](#), would quadruple this excise tax. Another Senate bill, the [ALIGN Act](#), would ban executives from selling their shares within a year of a stock buyback announcement. This would prevent CEOs from timing share repurchases to cash in personally on a short-term price pop they themselves have artificially created.

Using federal contracts and subsidies to encourage pay equity

Policymakers at the federal, state, and city levels could do more to use the power of the public purse to ensure that public investments are not supporting poverty wage business models. In 2021, the Biden administration issued an executive order to establish a \$15 hourly minimum wage for federal contractors, adjusted annually for inflation. They also used the leverage of new subsidies for domestic semiconductor production to [discourage grantees from spending resources on stock buybacks](#). In 2025, the incoming administration revoked the \$15 minimum for federal contractors, a move that underscored the importance of codifying such policies in legislation.



Endnotes

- ¹ This was the income limit in effect in 2024 that applies to the 41 states (including DC) that have adopted Medicaid expansion.
- ² Based on the traditional guideline that renters should spend no more than 30 percent of their income on rent and [Census data](#) for 2024 showing \$1,490 as the average monthly rent for a two-bedroom apartment.
- ³ This was the income limit in effect in 2024 that applies to the 41 states (including DC) that have adopted Medicaid expansion.
- ⁴ To be consistent with this report's data, we cite here figures from Nevada's 2024 report. For the recently released [2025 edition](#), the state's researchers changed their methodology to exclude part-time workers from the analysis. This led to misleading results, since most low-wage employers rely heavily on part-time employees.
- ⁵ We combined figures for Dollar Tree and their Family Dollar subsidiary in cases where state data listed the firms separately.
- ⁶ Based on the traditional guideline that renters should spend no more than 30 percent of their income on rent and [Census data](#) for 2024 showing \$1,490 as the average monthly rent for a two-bedroom apartment.
- ⁷ The Starbucks data in the body of this report are from 2024, the most recent year for which data are available for all Low-Wage 20 firms. Starbucks recently became one of the first corporations to file their [proxy statement](#) with 2025 compensation data. This SEC filing reveals a smaller but still massive 2025 pay package for Niccol, at nearly \$31 million. Median pay at the firm in 2025 stood at \$17,279 and the CEO-median worker pay ratio was 1,794 to 1.