



For Immediate Release

Date: February 28, 2018

SPECIAL REPORT: The #GOPTaxScam Is Setting All The Wrong Records: In Two Months, \$200 Billion In Corporate Share Buybacks Have Been Announced, Overwhelmingly Funneling Huge Amounts Of Money To Corporate Executives And Wealthy Shareholders While The Middle Class Gets Left Behind

In the wake of the GOP Tax Scam, major corporations have authorized \$200 billion in buyback schemes – money that overwhelmingly goes into the pockets of wealthy shareholders and corporate executives. In fact, [84%](#) of stocks are owned by the top ten percent of Americans. These share buybacks overwhelmingly help corporate executives and wealthy shareholders – not workers.

More than 55,000 American workers have been laid off in 2018 while corporate executives and wealthy shareholders reap huge rewards. At the same time, some corporate executives are padding their pocketbooks with stock buybacks and [laying off American workers](#).

Record corporate share buybacks show that the GOP Tax Scam overwhelmingly benefits corporate executives and wealthy shareholders over the middle class. [According to a survey of Morgan Stanley analysts](#), only 13% of tax cut savings will go towards worker compensation – while 43% will go to wealthy shareholders and executives via buybacks and dividends. To date, corporations have spent more than thirty times as much on buybacks alone as on bonuses and pay raises.

“The record-setting pace of stock buybacks is proof that companies across the country are stuffing the savings from the Republican tax bill into their own pockets and the pockets of their wealthy investors, rather than workers,” said Senate Democratic Leader Chuck Schumer. “These numbers

prove that the bulk of the savings from this bill aren't trickling down into higher wages, but into bigger gains for giant corporations and the wealthy."

"Republicans have not delivered the bulging paychecks they promised," said Senate Finance Committee Ranking Member Ron Wyden (D-OR). "Multinational corporations are moving at record-breaking speed to fatten the accounts of wealthy shareholders and CEOs around the world. This tax law is more proof that Republicans will continue to enrich the donor class at the expense of the middle class."

Corporation	Share Buyback Amount Announced in 2018 (Millions)	Date
<u>Cisco</u>	\$25,000	14-Feb
<u>Wells Fargo*</u>	\$22,572	23-Jan
<u>PepsiCo</u>	\$15,000	13-Feb
<u>Oracle</u>	\$12,000	1-Feb
<u>AbbVie</u>	\$10,000	15-Feb
<u>Amgen</u>	\$10,000	1-Feb
<u>Alphabet (Google)</u>	\$8,590	1-Feb
<u>Booking</u>	\$8,000	27-Feb
<u>Visa</u>	\$7,500	1-Feb
<u>Applied Materials</u>	\$6,000	14-Feb
<u>Mondelēz International</u>	\$6,000	31-Jan
<u>eBay</u>	\$6,000	1-Feb
<u>Celgene</u>	\$5,000	14-Feb
<u>Lowe's</u>	\$5,000	26-Jan
<u>CSX</u>	\$3,500	12-Feb
<u>Phillips 66</u>	\$3,300	14-Feb
<u>TJX</u>	\$3,000	28-Feb
<u>Constellation Brands</u>	\$3,000	5-Jan
<u>Fifth Third Bancorp*</u>	\$2,844	27-Feb
<u>Valero</u>	\$2,500	23-Jan
<u>Eastman Chemical</u>	\$2,000	6-Feb
<u>Juniper Networks</u>	\$2,000	30-Jan
<u>SiriusXM</u>	\$2,000	23-Jan
<u>Baxter</u>	\$1,500	20-Feb
<u>IQVIA</u>	\$1,500	14-Feb
<u>Teradyne</u>	\$1,500	24-Jan
<u>Leidos*</u>	\$1,304	22-Feb
<u>Cincinnati Financial*</u>	\$1,163	26-Jan
<u>Cardinal Health</u>	\$1,000	8-Feb
<u>O'Reilly Automotive</u>	\$1,000	7-Feb

Skyworks	\$1,000	5-Feb
Altria	\$1,000	1-Feb
Rockwell Automation	\$1,000	25-Jan
Buybacks <\$1 Billion	\$26,239	
TOTAL Corporate Buybacks Authorized in 2018	\$209 Billion	

*Based on closing price on the day share buyback was announced.

CORPORATE EXECUTIVES ARE TOUTING TAX REFORM, POCKETING BILLIONS OF DOLLARS THROUGH BUYBACKS, AND LAYING OFF AMERICAN WORKERS

Financial Times: Wells Fargo Plans To Close 900 Branches Despite \$3.4bn Tax Boost. “Wells Fargo plans to close about 900 branches as part of efforts to cut costs in the wake of its mis-selling scandal even though the bank’s profits received an immediate \$3.4bn boost from the US corporate tax cut.” [Financial Times, [1/12/18](#)]

MarketWatch: Wal-Mart Has Announced Thousands Of Layoffs Since Publicizing Bonuses And Benefits Expansion. “Since Wal-Mart Stores Inc. announced it would hand out bonuses and expand benefits to more than 1 million associates thanks to new tax reform measures, the retail giant has also laid out plans for store closures and thousands of layoffs at both the store and corporate level. Wal-Mart confirmed about 1,000 layoffs in California on Monday, including 650 associates in Sam’s Club locations in Los Angeles, Sacramento and Orange County, and 359 at a Wal-Mart location in Sacramento.” [MarketWatch, [2/1/18](#)]

USA Today: Kleenex, Huggies Maker To Cut Up To 5,500 Jobs, Close 10 Plants. “Kimberly-Clark, which also produces Huggies diapers, Kotex feminine hygiene products, Cottonelle toilet paper and Scott paper towels, plans to cut up to 5,500 jobs and close or sell about 10 plants. The Dallas-based company blamed sluggish sales and a bloated production base.” ... **“Savings from the recent federal tax cut would help fund the cost reductions. It ‘provides us the flexibility’ to do so,** Chief Financial Officer Maria Henry said on a conference call.” [USA Today, [1/23/18](#)]

CNBC: As Retailers Herald Tax Savings, They're Still Closing Stores And Laying Off Workers. “Several retailers have touted bonuses, employee raises and improved benefits as evidence that the new tax legislation is creating opportunities for the industry’s workers. But even as these proclamations are being made, retailers are still closing stores and laying off staff.” [CNBC, [2/2/18](#)]

ACCORDING TO CEOS AND ANALYSTS, THE REAL BENEFITS OF TAX REFORM WILL FLOW TO WEALTHY INVESTORS AND CORPORATE EXECUTIVES VIA CORPORATE BUYBACKS

S&P Analyst Howard Silverblatt: “I’m expecting buybacks to get to a record for 2018.” [NY Times, [2/26/18](#)]

TrimTabs Director of Liquidity Research David Santschi: “Despite all the attention lavished on \$1,000 one-time bonus checks paid out by various large employers, the buyback boom is one sign that **the tax cut is likely to do far more for business owners and investors than the typical household.**” [CNBC, [2/26/18](#)]

Former Chief Economist to Vice President Biden, Jared Bernstein: “Unless the trickle-downers can provide evidence of the links in that chain — evidence that can’t possibly be in the data yet — **then we’re left with nothing but upward redistribution. Remember, 84 percent of the value of the stock market is held by the wealthiest 10 percent of households.** In other words, at this point these buybacks are just a reminder that this tax cut favors wealth holders over paycheck earners. We knew that, but now, in these early days, we’re seeing it in action.” [WaPo, [2/23/18](#)]

MarketWatch (Mullaney): “But now, **courtesy of Goldman Sachs, we know where the tax cut is really going. Surprise! It’s paying for stock repurchases by corporations,** as Corporate America despairs of investing in much other than dividing the pie provided by near-record profitability into fewer and larger pieces.” [MarketWatch, [2/22/18](#)]

HPE CEO Antonio Neri: “**Given the recent tax reform in the U.S., which will provide easier access to off-shore cash, we are increasing our shareholder return commitment** and our investment in employees,” Neri added. “**We now plan to return \$7 billion to shareholders in the form of share repurchases and dividends by the end of FY19,** including a 50% increase in our dividend.” [Press Release, [2/22/18](#)]

Six Flags CFO Marshall Barber: “And any savings we have will be passed directly to the shareholders, so through share repurchases. So, we’ll be -- we think 9% is the right capital. We won’t be increasing that because that’s the appropriate amount. So, we’ll end up giving all that money back to shareholders. [Q4 2017 Results – Earnings Call, [2/20/18](#)]

Extended Stay America CEO Jonathan Halkyard: “Additionally, tax reform will reduce our cash taxes by more than \$20 million this year, further enhancing our ability to return capital to shareholders.” [Q4 2017 Results – Earnings Call via Seeking Alpha, [2/27/18](#)]

Bank of America CEO Brian Moynihan: “We expect most of the benefits from tax reform to flow to the bottom line through dividends and share buybacks.” [FT, [1/17/18](#)]

Microsoft CFO Amy Hood: “We’ve been focused on capital return through both dividends and share repurchase as a key part of our commitment to total shareholder return for many years,” ... “With the recent tax reform, we can continue that commitment without the need to access the capital markets.” [Financial Times, [2/3/18](#)]

Anthem CFO John Gallina: “And then as you said maybe another 25% associated with accelerating investments as Gail talked about. **And then the remaining 50% I guess return to the shareholders.**” [Q4 2017 Results – Earnings Call via Seeking Alpha, [1/31/18](#)]

CORPORATE SHARE BUYBACKS THAT FLOW DIRECTLY INTO CEOS’ POCKETS HAVE BEEN FAR LARGER THAN CORPORATE PR SPIN ANNOUNCEMENTS

Wells Fargo Share Buyback 102x As Large As Pledge to Workers and Charity. In January 2018, Wells Fargo announced a new 350 million share buyback - approximately \$22 billion based on that day’s closing share price. In December, Wells Fargo announced a commitment to its workers that may have been previously planned, according to statements from a company spokesman. President Trump touted Wells Fargo’s actions at the signing of the tax bill, H.R. 1., as evidence that the tax bill was working. According to the investment bank KBW, Wells Fargo’s wage and charitable giving announcement would cost \$215 million, 102 times less than the announced share buyback. [Press

Release, [1/23/18](#); LA Times, [12/21/17](#); Remarks by President Trump at Signing of H.R. 1, Tax Cuts and Jobs Bill Act, and H.R. 1370, [12/22/17](#); CNN, [1/3/18](#)]

Anthem Share Buyback 86x As Large As Pledge to Workers: In December 2017, Anthem announced a new \$5 billion corporate share buyback. In January 2018, Anthem announced it will increase the dividend it pays its shareholders. In February 2018, Anthem announced it would contribute \$58 million for retirement account contributions. The CFO of Anthem told shareholders that approximately 50% of the benefits of tax reform would end up in shareholders' pockets. [SEC Form 8-K, Date of Report [12/7/17](#); Press Release, [1/31/18](#); Press Release, [2/5/18](#); Q4 2017 Results – Earnings Call via Seeking Alpha, [1/31/18](#)]

Altria Share Buyback 42x As Large as Pledge to Workers. In February 2018, Altria announced a new \$1 billion corporate share buyback. The company also announced a \$24 million bonus program, 42 times less than the share buyback. [Press Release, [2/1/18](#); Richmond Times-Dispatch, [2/1/18](#)]