



***For Immediate Release***

**Date:** February 7, 2018

## **SPECIAL REPORT: In 2018, Corporate Windfall from GOP Tax Scam Overwhelmingly Funneled to Pockets of Corporate Executives and Wealthy Shareholders through Nearly \$100 Billion in Corporate Share Buybacks**

**Just over one month into 2018, it's clearer than ever that the GOP Tax Scam overwhelmingly benefits corporate CEOs and wealthy shareholders.** While Republicans want working American families to thank them for [\\$1.50 a week](#), corporate executives have been authorizing schemes to put billions in their own pockets – and in numerous cases announcing major layoffs of American workers.

**Less than forty days into 2018, banks, oil and tobacco companies, and other corporations have announced nearly \$100 billion in corporate stock buybacks.** As one economics professor [said](#), “The only benefit of share buybacks is to people who are in the business of selling shares: executives.” These corporate executive giveaways dwarf the amounts corporations have suggested they could use to benefit workers as a result of the tax scam.

“This report shows that the first priority of multinational corporations receiving the biggest windfalls from the Republicans’ tax scam was to present nearly \$100 billion dollars in giveaways to their wealthy investors and senior executives,” *said Senate Finance Committee Ranking Member Ron Wyden (D-OR)*. “It gives the American people a documented truth about the tax bill that was rammed through Congress by Republicans last December. No amount of flashy headlines will cover up Republicans’ choice to give the middle class less so corporations could get more.”

“Since the GOP tax scam became law, dozens of corporations have announced almost \$100 billion in stock buybacks. That’s money going to the pockets of the wealthy, not workers,” *said Sen. Bob Casey (D-PA)*. “If a company spends an extra \$100 million on dividends and

executive compensation because of this tax bill, then they should spend at least that much towards employee raises. Instead, companies are directing billions in tax savings in one direction, up.”

“Republicans are still preaching their trickle-down economics,” said Sen. Sheldon Whitehouse (D-RI). “They want us to believe this tax bill is a boon for workers because corporations will use their tax windfalls to expand their workforces and give their employees raises. Instead we’ve seen a wave of stock buybacks—payouts to executives and shareholders—which dwarf the modest bonuses some companies have announced. That \$1.5 trillion bonanza isn’t trickling very far.”

Corporation	Share Buyback Amount Announced in 2018 (Millions)	Date
<a href="#">Wells Fargo*</a>	\$22,572	23-Jan
<a href="#">Oracle</a>	\$12,000	1-Feb
<a href="#">Amgen</a>	\$10,000	1-Feb
<a href="#">Alphabet (Google)</a>	\$8,590	1-Feb
<a href="#">Visa</a>	\$7,500	1-Feb
<a href="#">eBay</a>	\$6,000	1-Feb
<a href="#">Lowe’s</a>	\$5,000	26-Jan
<a href="#">Constellation</a>	\$3,000	5-Jan
<a href="#">Valero</a>	\$2,500	23-Jan
<a href="#">Eastman Chemical</a>	\$2,000	6-Feb
<a href="#">Juniper Networks</a>	\$2,000	30-Jan
<a href="#">SiriusXM</a>	\$2,000	23-Jan
<a href="#">Teradyne</a>	\$1,500	24-Jan
<a href="#">Cincinnati Financial*</a>	\$1,163	26-Jan
<a href="#">Skyworks</a>	\$1,000	5-Feb
<a href="#">Altria</a>	\$1,000	1-Feb
<a href="#">Rockwell Automation</a>	\$1,000	25-Jan
<a href="#">M&amp;T Bank</a>	\$745	5-Feb
<a href="#">Harley-Davidson*</a>	\$696	5-Feb
<a href="#">Andarko Petroleum</a>	\$500	7-Feb
<a href="#">Arconic</a>	\$500	5-Feb
<a href="#">Spirit AeroSystems</a>	\$500	2-Feb
<a href="#">Vertex</a>	\$500	1-Feb
<a href="#">Conoco Phillips</a>	\$500	1-Feb
<a href="#">Pulte Group</a>	\$500	30-Jan
<a href="#">Nasdaq</a>	\$500	29-Jan

<a href="#">Visteon</a>	\$500	16-Jan
Buybacks < \$500M	\$2,951	
<b>TOTAL Corporate Buybacks Authorized in 2018</b>	<b>\$97.2 Billion</b>	

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

## MAJOR CORPORATIONS ARE TOUTING TAX REFORM, POCKETING BILLIONS OF DOLLARS THROUGH SHARE 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](#)]

**NY Times:** “And two days before Walmart snagged glowing headlines for handing out \$400 million in bonuses and lifting its minimum wage at a cost of \$300 million, the nation’s largest retailer by sales unveiled a plan to buy back company-issued debt. The cost of the buyback: \$4 billion.” [NY Times, [1/22/18](#)]

**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](#)]

**Maria Henry, Senior VP and CFO, Kimberly-Clark.** “In 2018, we plan to repurchase \$700 million to \$900 million of Kimberly-Clark stock. In addition, we’re increasing our dividend by 3.1%.” [Q4 2017 Results – Earnings Call via Seeking Alpha, [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, THE REAL BENEFITS OF TAX REFORM WILL FLOW TO WEALTHY INVESTORS AND CORPORATE EXECUTIVES**

**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](#)]

**Moody's Analysts:** “We do not expect a meaningful boost to business investment because U.S. nonfinancial companies will likely **prioritize share buybacks**, M&A and paying down existing debt.” ... “**Much of the tax cut for individuals will go to high earners**, who are less likely to spend it on current consumption.” [MarketWatch, [1/25/18](#)]

## **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](#)]