



For Immediate Release

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The #GOPTAXSCAM Is Even Worse Than We Expected – Real Wages Are Falling For Working Americans While Corporate Executives Cash In With More Than \$700 Billion In Corporate Stock Buybacks Announced In 2018

Republicans [promised](#) their tax bill would mean a \$4,000 raise for American families. Instead, working Americans have seen their real wages [decrease](#) as they pay more for everyday goods and services. Americans are [paying more at the pump](#) because of the Trump administration's reckless foreign policy. And Americans are paying more for their health care because of the [Republican sabotage of our nation's healthcare system](#). And as working Americans are struggling to stay above water, corporate executives and the wealthiest few are cashing in through record stock buybacks.

In 2018 alone, corporations have already announced more than \$700 billion in corporate stock buybacks, which overwhelmingly benefit corporate executives and wealthy shareholders. As the Chief U.S. Economist for S&P [said](#), "stock buybacks usually go to high earners, and high earners usually save rather than spend."

REPUBLICANS PROMISED A "MIDDLE-CLASS MIRACLE" – BUT WORKING AMERICANS' REAL WAGES ARE ACTUALLY *DECREASING* AFTER THE #GOPTAXSCAM

Washington Post (Wonkblog): In U.S., Wage Growth Is Being Wiped Out Entirely By Inflation. "Rising prices have erased U.S. workers' meager wage gains, the latest sign strong economic growth has not translated into greater prosperity for the middle and working classes. Cost of living was up 2.9 percent from July 2017 to July 2018, the Labor Department reported Friday, an inflation rate that outstripped a 2.7 percent increase in wages over the same period. The average U.S. 'real wage,' a federal measure of pay that takes inflation into account, fell to \$10.76 an hour last month, 2 cents down from where it was a year ago." ... **"Consumers are also paying more for housing, health care and automobile insurance, the federal government reported Friday.** Additional price increases could be coming as

President Trump's new tariffs boost the prices of cheap imported products on which U.S. consumers rely. And many economists warn that growth might have peaked for this expansion. The combination of rising prices and stagnant wages poses a problem for Trump, who campaigned on promises of jobs and raises for the working-class Americans he called 'the forgotten men and women of our country.'" ... "Thus far, however, **most benefits of the strong economy appear to have gone to high-paid workers, stock market investors and corporations.** The stock market hit record highs this year. Corporations, benefiting from a historic Republican cut to the corporate tax rate passed in December, have seen profits soar. Second-quarter earnings are up more than 20 percent over last year among companies that have reported so far, according to FactSet, a financial data tracker." [Washington Post, [8/10/18](#)]

CORPORATIONS HAVE ALREADY ANNOUNCED MORE THAN \$700 BILLION IN CORPORATE STOCK BUYBACKS IN 2018 - MORE THAN \$1 TRILLION EXPECTED IN 2018



Corporation	Share Buyback Amount Announced in 2018 (Billions)	Date
Apple	\$100	1-May
Cisco	\$25	14-Feb
Wells Fargo	\$24.5	28-Jun
Wells Fargo*	\$22.6	23-Jan
JPMorgan Chase	\$20.7	28-Jun
Bank of America	\$20.6	28-Jun
Qualcomm	\$20	26-Jul

<u>Citi</u>	\$17.6	28-Jun
<u>UnitedHealth Group*</u>	\$17.6	6-Jun
<u>Altaba*</u>	\$15.6	7-Jun
<u>Nike</u>	\$15	28-Jun
<u>PepsiCo</u>	\$15	13-Feb
<u>Broadcom</u>	\$12	12-Apr
<u>Oracle</u>	\$12	1-Feb
<u>Caterpillar</u>	\$10	30-Jul
<u>Walgreens</u>	\$10	28-Jun
<u>Micron</u>	\$10	21-May
<u>AbbVie</u>	\$10	15-Feb
<u>Amgen</u>	\$10	1-Feb
<u>Conoco Phillips</u>	\$9	12-Jul
<u>Facebook</u>	\$9	25-Apr
<u>Qualcomm</u>	\$8.8	9-May
<u>Alphabet (Google)</u>	\$8.6	1-Feb
<u>Adobe</u>	\$8	21-May
<u>Booking</u>	\$8	25-Apr
<u>T-Mobile</u>	\$7.5	1-May
<u>Visa</u>	\$7.5	1-Feb
<u>Applied Materials</u>	\$6	14-Feb
<u>Mondelēz International</u>	\$6	31-Jan
<u>eBay</u>	\$6	1-Feb
<u>Starbucks*</u>	\$6	26-Apr
Announced Buybacks \$5 Billion or Less	\$224	
TOTAL Corporate Buybacks Authorized in 2018	\$702.5 Billion	

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

NY Times: The Stock Market's Next \$1 Trillion Milestone: Buybacks. "American companies are set to hand a record amount back to shareholders in the coming quarters. Corporate boards have authorized the repurchase of \$754 billion of stock so far this year, up 80 percent from the same period last year, according to a Goldman Sachs report. And that figure could reach a record \$1 trillion by the end of the year." [NY Times, [8/6/18](#)]

FAR TOO MANY CORPORATIONS HAVE ANNOUNCED MASSIVE CORPORATE STOCK BUYBACKS - OVERWHELMINGLY BENEFITTING CORPORATE EXECUTIVES AND WEALTHY SHAREHOLDERS - THEN LAID OFF AMERICAN WORKERS

- **ConocoPhillips announced it will [lay off](#) workers in Houston.** ConocoPhillips also announced it will [reward](#) corporate executives and wealthy shareholders with an additional \$9 billion corporate stock buyback program.
- **Wells Fargo [announced](#) it will close 900 branches despite a \$3.4 billion boost from the Republican tax scam.** Wells Fargo also [announced](#) it will reward corporate executives and wealthy shareholders with tens of billions of dollars through corporate stock buyback programs. President Trump [touted](#) Wells Fargo as a tax bill success story.
- **Qualcomm [announced](#) plans to lay off 1,500 workers.** Qualcomm also [announced](#) it will reward corporate executives and wealthy shareholders with a \$8.8 billion corporate stock buyback program. Then, Qualcomm announced they would reward shareholders with an additional \$20 billion corporate stock buyback program.
- **Kroger announced plans to [close 14 stores](#), impacting 1,500 workers.** Kroger [also announced](#) it will reward corporate executives and wealthy shareholders with more than \$2 billion in corporate stock buyback programs. Republicans [touted](#) Kroger as a tax bill success story.
- **McKesson [announced](#) it will lay off [hundreds](#) of workers.** McKesson also [announced](#) it will reward corporate executives and wealthy shareholders with a \$4 billion corporate stock buyback program.
- **Devon Energy [announced](#) plans to lay off nine percent of its workforce – about 300 workers.** Devon Energy also announced it will reward corporate executives and wealthy shareholders with a \$1 billion corporate stock buyback program.
- **Kimberly-Clark [announced](#) plans to cut up to 5,500 jobs.** Kimberly-Clark also [announced](#) it will reward corporate executives and wealthy shareholders with \$700-\$900 million in corporate stock buybacks in 2018.
- **CSX announced plans to lay off [thousands of workers](#).** CSX also [announced](#) it will reward corporate executives and wealthy shareholders with a \$3.5 billion increase in their corporate stock buyback program.
- **Harley-Davidson is closing a Kansas City motorcycle assembly plant, resulting in [800 workers](#) losing jobs.** Harley Davidson also [announced](#) it will reward corporate executives and wealthy shareholders with a \$696 million corporate stock buyback program. Speaker Ryan [touted](#) Harley-Davidson when selling the tax bill.
- **Hess Corporation [announced](#) they will lay off hundreds of workers.** Hess Corporation also [announced](#) it will reward corporate executives and wealthy shareholders with a \$1 billion corporate stock buyback program.
- **Cardinal Health announced it will [lay off 100 workers](#).** Cardinal Health also [announced](#) it will reward corporate executives and wealthy shareholders with a \$1 billion corporate stock buyback program.

CORPORATE EXECUTIVES ARE CASHING IN WHILE THE MIDDLE CLASS IS LEFT BEHIND

S&P Chief U.S. Economist Beth Ann Bovino: "Stock buybacks usually go to high earners, and high earners usually save rather than spend," Bovino said in an interview. "Whether businesses do invest in areas that improve productivity remains to be seen." [The Street, [6/6/18](#)]

CNBC: Corporate Executives Are Using Stock Buybacks To Further Pad Their Own Compensation, According To Top SEC Official. “Corporate executives are using tax cuts and share buybacks to boost their own compensation, a top regulator said Monday. Companies have announced a record-breaking level of share buybacks since Congress passed the Republican-backed tax reduction in December. Critics of the \$1.5 trillion measure had worried that it would lead to big rewards for shareholders and only limited benefit to the broader economy. Robert Jackson Jr., a member of the Securities and Exchange Commission, said corporate bigwigs have been selling their shares after the buyback announcements hit, cashing in from the stock price surge that often happens after a repurchase notice.” [CNBC, [6/11/18](#)]

CNN Money: CEOs Are Dumping Stock In Their Companies. Here's What That Means. “Companies have announced them this year at a rate of more than \$5 billion a day. The buyback boom has been viewed by investors as a sign of confidence among CEOs. **Yet with their own money, executives are quietly taking a much different approach: They're cashing out. Insiders dumped \$8.4 billion of their shares in May and \$9.2 billion in June, according to an analysis of regulatory filings by TrimTabs Investment Research. That's the biggest two-month period of insider selling in a year.** ‘They're buying back from the front door, and shoveling shares out the back door,’ said John Mousseau, president of CEO of Cumberland Advisors, an investment firm that manages more than \$3 billion. ‘It would be like going on TV to tell everyone what stocks we like, and then selling them,’ he said. ... ‘Large US companies have become cash machines for the top insiders who run them,’ said David Santschi, director of liquidity research at TrimTabs.” [CNN Money, [7/17/18](#)]

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