Policy Matters Ohio

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Work & Wages

CEO Pay Report 2022

Big Ohio CEOs: 396, Typical employee: 1

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Introduction

A thriving community depends on the work of everyone, from the retail clerk who greets customers to the janitor who cleans the countertop. But for decades, corporate executives held down pay for the typical Ohio worker, while they lavished themselves with enormous raises. The pandemic has magnified the growing disparity. CEOs in 2020 took home windfall gains from stock price growth during COVID while frontline workers risked their lives for often menial pay. Now, as we have made strides to overcome the most severe health risks of COVID-19, CEOs continue to raise their pay by using their unique power over corporate boards, stock buybacks and new consumer price gouging. The result is an ever-widening gulf between themselves and the shop floor workers. At a time when ordinary workers' bargaining power has been significantly eroded by corporate attacks on unions, CEOs' pay reflects their privileged status to influence the board that sets their pay, and it further separates the fortunes of the wealthiest from the rest of us.[1]

Among 54 of Ohio's 100 largest employers that reported to the Securities & Exchange Commission, the median chief executive officer was paid 396 times the rate of the median worker at the same corporation last year, up from 322 times in 2020 and the highest ratio in the five years records have been kept. Two companies were in the middle last year, so the median CEO-median worker pay ratio was the average between them: General Electric (412-to-1), and Elevance Health (379-to-1). More than seven in 10 reporting corporations paid their CEO more than 200 times what they paid typical employees. Over a third paid their CEO more than 500 times as much, and nine companies paid their CEO more than 1,000 times more than their median employee.

The dramatic rise in CEO pay has stretched the pay gap to a chasm. In 1965, corporate boards paid CEOs 20 times what the corporation paid the typical worker; by 1989 that ratio was 59-to-1. Today the ratio is 399-to-1 nationally and 396-to-1 in Ohio.[2] In recent decades, corporate boards have increased CEO pay at rates that dramatically exceed pay increases for typical workers. CEO pay has also grown more quickly than stock prices and compensation for other very highly paid workers. Nationally, CEO pay based on realized compensation grew by 1,460% from 1978 to 2021, while the S&P stock market index grew 1,063% and pay for the highest 0.1% grew 385% between 1978 and 2020, the latest data available.[3] By contrast, the median worker won pay gains of just 18.1% nationally from 1978 to 2021, and 3.7% in Ohio

[1] Josh Bivens and Heidi Shierholz, "What labor market changes have generated inequality and wage suppression?" The Economic Policy Institute, December 12, 2018, https://bit.ly/34RUnwU

[2] For national figures, see Bivens, Josh and Jori Kandra, "CEO Pay Has Skyrocketed 1,460% since 1978," The Economic Policy Institute, October 4, 2022, https://www.epi.org/publication/ceo-pay-in-2021/ Bivens and Kandra use Compustat data to construct CEO pay ratios, while this report uses SEC filings directly, which have been available under SEC reporting rules effective beginning in 2017.

[3] National figures are cited because data on top Ohio companies used throughout this paper became available under the Dodd-Frank Act for the first time just four years ago in 2017. Realized compensation measures pay in company shares at the time it is cashed out or vested, and can differ from the value at the time awarded. See Bivens, Josh and Jori Kandra, "CEO Pay Has Skyrocketed 1,460% since 1978," The Economic Policy Institute, October 4, 2022, https://www.epi.org/publication/ceo-pay-in-2021/

since 1979.[4] Since its peak in 1968, the minimum wage in Ohio has lost 28% of its value.[5] All figures are adjusted for inflation.

Between 1979 and 2020, in both Ohio and the U.S., employers increased pay for median workers more slowly than the economy grew, as measured in Gross Domestic Product (GDP). Prior to that, wages and GDP tended to trend together, reflecting that working people were paid a relatively consistent share of the growth that their work generated. Astronomical CEO pay is a manifestation of wealth capture by the wealthiest, who managed to hoard most of the growth of the last four decades. That has left most Ohioans and Americans – whose income comes primarily from work – little better off than their counterparts two generations ago, despite being more productive than ever. Some workers are even worse off; Black men in Ohio today are paid $4.96-per-hour less than their counterparts in 1979.[6]

Lavish CEO pay helps concentrate wealth in the hands of white men. Just eight of the 54 CEOs at Ohio's largest publicly traded companies are women. While race is more difficult to assess, a clear majority of the CEOs are white. The net worth of a typical (median) American family in 2016 was 10 times that of the typical Black family, at $171,000 and $17,150 respectively.[7] But *average* wealth is distorted by the top: That same year, the average white family owned assets worth $929,800, while the average Black family owned $138,100.

In this paper, we document in detail the ratio of CEO pay to that of the median worker at Ohio's largest employers with available data. All publicly traded firms must provide this rate under federal law. We also explore some of the reasons behind the widening gulf between what wealthy corporations pay CEOs and what they pay the typical worker, and make recommendations for how policymakers can ensure working people are paid more of the wealth they help to create. Whereas successful corporate attacks on working people's bargaining power have curtailed their ability to take home wages that reflect the value of their work, CEO pay is an example on the other end of the spectrum. CEOs' ability to wield excessive power enables them to capture wealth that was created by others.

Skyrocketing CEO pay

Starting in 2017, publicly traded companies were required by the Dodd-Frank Act to report the ratio of CEO pay to that of their median worker — the one whose pay falls in the middle of all employees. Policy Matters Ohio reviewed the filings of corporations that rank among the

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[4] Shields, Michael and Annie Volker, "State of Working Ohio 2022," Policy Matters Ohio, September 5, 2022, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/state-of-working-ohio/state-of-working-ohio-2022#:~:text=Historic%20levels%20of%20federal%20spending,focused%20on%20bringing%20down%20inflation. Ohio median pay rose $.72 from $19.45 to $20.17 from 1979 to 2021.
[5] Shields, Michael. "Fairer pay will boost Ohio," Policy Matters Ohio, April 2021, https://bit.ly/RaiseTheWage_OH
[6] Shields, Michael and Annie Volker, "State of Working Ohio 2022," Policy Matters Ohio, September 5, 2022, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/state-of-working-ohio/state-of-working-ohio-2022#:~:text=Historic%20levels%20of%20federal%20spending,focused%20on%20bringing%20down%20inflation. Figures are adjusted for inflation.
[7] McIntosh, Kriston; Emily Moss; Ryan Nunn; and Jay Shambaugh, "Examining the Black-white wealth gap," Brookings, February 2020, https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/.

top 100 Ohio employers, according to the Ohio Department of Development as reported for 2021,[8] and Ohio-based Fortune 500 companies.[9]

The data

Among the state's largest employers, 54 filed reports with the SEC. Many of the top 100 employers do not have to file such reports, either because they are nonprofits (for example, the Cleveland Clinic), government employers (Wright-Patterson Air Force Base), privately owned (Giant Eagle) or foreign companies (Honda). Data for this report were compiled in summer 2022. For the majority of corporations that report each spring, this report covers fiscal year 2021; for those reporting at the end of the year, this report covers fiscal year 2020.

The median worker is the one in the middle: Half of the corporation's employees made more, and half made less. The median worker could be employed anywhere in the company's workforce, and often is not located in Ohio. Dodd-Frank rules allow companies to set aside up to 5% of their workforce in making the calculation. Reporting requirements are not strictly standardized, with the result that some firms include benefits or bonuses in the calculation, while others do not. Rules also allow companies to use the same median employee for up to three years, even if a change in that worker's or others' pay means they are no longer the middle worker.[10] For these reasons, caution is needed when comparing between corporations, and we do not list firms in rank order. However, the data clearly show that among major Ohio employers and Fortune 500 companies, the pay disparity between CEOs and regular workers is enormous.

CEO pay v. median worker pay

Average pay among CEOs at Ohio's 54 largest employers that file reports with the SEC was nearly $21.7 million last year, up from $16 million in 2020. This growth demonstrates both significant across-the-board CEO pay increases and how large outliers can distort averages. Amazon's new CEO, Andrew Jassy, was paid $212 million. Jassy's pay exceeded that of retired Amazon CEO Jeff Bezos because Bezos made most of his money through ownership of the company; though he classified only $1.7 million as wage and salary earnings in 2020, Bezos that year had more money than the national income of Ukraine.[11]

Of those 54 CEOs, all but one were paid more than $5 million, and 44 made more than $10 million. Eighteen made more than 20 million, up from 10 in 2020. Two CEOs exceeded 2020 top pay of $73.2 million reported for H. Lawrence Culp Jr. of General Electric: Jassy, with his $212 million, and Jamie Dimon of JP Morgan Chase, with $84.4 million. Only Berkshire Hathaway's Warren Buffett paid himself less than $1 million as CEO ($373,000). Buffett makes most of his money from owning a large share of Berkshire Hathaway's stock. He has a net

[8] Ohio Department of Development. 2021 Ohio Major Employers. Dec. 2021, https://devresearch.ohio.gov/files/research/B2001.pdf
[9] "Fortune 500." Fortune, https://bit.ly/3ioTaDz.
[10] Shields, Michael, and Siyang Liu. "Big Ohio CEOs: 306, Median Employee: 1." Policy Matters Ohio, 10 Dec. 2020, https://bit.ly/3CdUscy.
[11] Bezos's fortune has since plunged from some $200 billion to around $113 billion today, but Bezos remains able to fund a private space program; see: Fortune: https://www.forbes.com/profile/jeff-bezos/?sh=5ccb40d61b23, for Ukraine, see World Bank's for a ranking of world nation's by GDP: https://databankfiles.worldbank.org/data/download/GDP.pdf

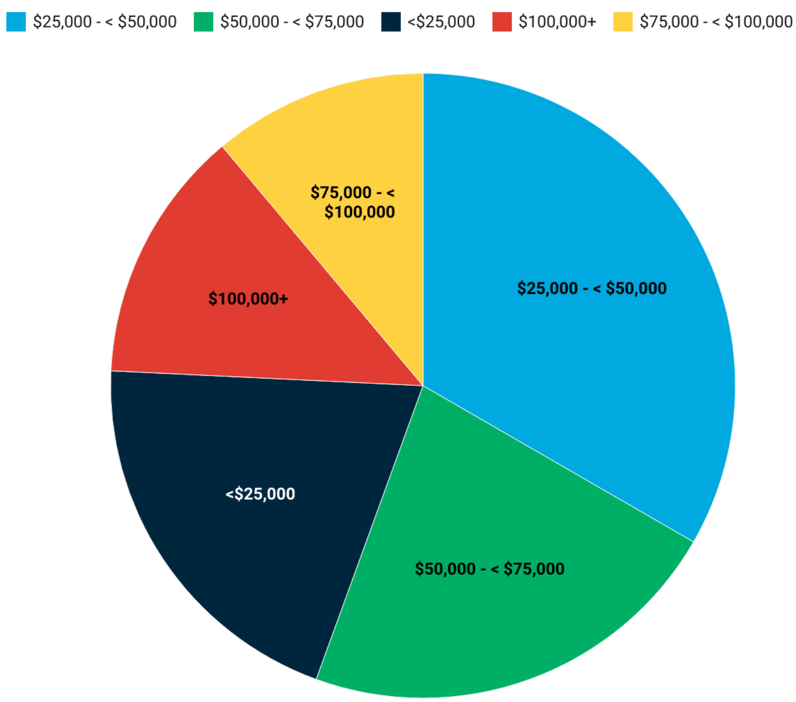
worth of over $106 billion.[12] After Buffett, the next lowest paid CEO was Steven Johnston at Cincinnati Financial, paid $6.5 million, a rate of 62 times the median worker's pay.

Meanwhile, 14 corporations among the major employers reported median pay of less than $26,500, the federal poverty level for a family of four.[13] Together, these 14 companies employed nearly 146,000 Ohioans at the time of reporting. Twenty-five of the top 54 employers reported median pay of more than $50,000. Together they employed 188,000 Ohioans. Median pay for the middle worker among large Ohio employers fell to $48,283 last year, from $51,494 in 2020 and $52,500 in 2019.[14] Figure 1 shows median pay for workers at the corporations that reported.

Figure 1

Median worker pay at 54 major Ohio corporations, 2021

Figure 1



Source: Policy Matters Ohio from Schedule 14(A) company proxy statement filings with SEC FY 2021 or 2020. • Created with Datawrapper

Who are median workers?

Our data do not contain information about the demographic makeup of median employees, though we know that the median pay among Ohio's largest reporting employers was just

[12] "Warren Buffett." Forbes, https://www.forbes.com/profile/warren-buffett/?sh=1d495c9b4639 December 8, 2022.
[13] U.S. Department of Health and Human Services. "2022 Poverty Guidelines." Office of the Assistant Secretary for Planning and Evaluation, h https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines . The FPL was $26,500 for a family of four in 2021, and $27,750 in 2022.
[14] This figure is for the median company, as a measure of pay for its median worker. In 2021, the median was an average between pay at the two companies that shared the middle, Cardinal Health at $48,291, and Cintas Corporation at $48,274

under $48,300, around $6,330 higher than the statewide median for Ohio in 2020.[15] Companies are not required to provide a description of their median worker in their SEC filings, however, some have chosen to do so. Starbucks identified its median employee – paid $12,935 – as a part-time barista in Canada. Starbucks CEO Kevin Johnson took home 1,579 times as much - $20.4 million – before being replaced in April 2022 by former CEO Howard Schultz, who led union busting efforts that have resulted in over 325 unfair labor practice charges from the National Labor Relations Board.[16] Rite Aid identified its median worker – paid $50,000 – as a full-time pharmacy technician.[17] Ford Motor Company identified its median employee – paid $64,000 - as a full-time salaried employee in the U.S.[18] SEC rules allow companies to exclude up to 5% of their workforce from assessment; many companies reported excluding workers, and some companies excluded all non-U.S. workers.

Who are the CEOs?

Because our dataset identifies the CEOs, we know that they are predominantly white men. Though corporate leadership continues to be dominated by white men, the entry of more women and people of color over the last two decades into the CEO class demonstrates that economic justice means more than diversity at the top.[19] CEOs inhabit a rarefied stratum that has become increasingly removed from the lived experience of nearly all other Ohioans, across all races and gender. Abercrombie and Fitch is helmed by a woman and had the largest CEO-median worker pay ratio for four years running before being unseated by Amazon.

CEOs are an extreme example of a more general trend in which white and male candidates are more likely to get promoted to the highest levels of management, where known and implicit biases are one factor. Unequal sharing of unpaid work may also hamper women's ability to work in the highest levels of corporate structures. LeanIn's women in the workplace report found that women executives were four times as likely to be doing all their families' housework and caregiving as their male counterparts.[20] A Fortune poll found that two-thirds of U.S. women managers with at least one staff person reporting to them pay for some kind of hired service in their personal lives. Male executives also pay for services, have stay-at-home spouses, or both. Women CEOs employ child care workers and personal shoppers at services such as Instacart to take on these tasks.[21] These findings both point to one factor blocking access to the highest levels of pay in the labor market for women and leave unaddressed the matter of how their lower paid counterparts can juggle the competing demands of paid and unpaid work. Solving this is partly a matter of equitable sharing of

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[15] Median annualized pay for Ohioans is $41,954 based on wage of $20.17-per-hour and standard work year of 2080 hours. See: Shields, Michael and Annie Volker, "State of Working Ohio 2022," Policy Matters Ohio, September 5, 2022, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/state-of-working-ohio/state-of-working-ohio-2022#:~:text=Historic%20levels%20of%20federal%20spending,focused%20on%20bringing%20down%20inflation.

[16] See Hsu, Andrea, "Starbucks Workers Have Unionized at Record Speed; Many Fear Retaliation Now," NPR, October 2, 2022, https://www.npr.org/2022/10/02/1124680518/starbucks-unioFfn-busting-howard-schultz-nlrb. Schultz will step down in April 2023.

[17] Rite Aid Corporation, SEC schedule 14A Proxy statement, June 10, 2022 https://www.sec.gov/Archives/edgar/data/84129/000110465922070078/tm228886-2_defc14a.htm

[18] Ford Motor Company, SEC schedule 14A Proxy statement, May 12, 2022 https://www.sec.gov/Archives/edgar/data/37996/000110465922041499/tm2130881-4_def14a.htm

[19] Zweigenhaft, Richard. "Diversity Among Fortune 500 CEOs from 2000 to 2020: White Women, Hi-Tech South Asians, and Economically Privileged Multilingual Immigrants from Around the World," Who Rules America? January 2021, https://whorulesamerica.ucsc.edu/power/diversity_update_2020.html.

[20] Lean In "Women in the Workplace 2022," https://leanin.org/women-in-the-workplace/2022/intersectional-experiences#!

[21] Leonhardt, Megan, "The steep cost of success: Female executives don't like to admit they pay for domestic help, but here's why that secret is hurting everyone," Fortune, December 7, https://www.msn.com/en-us/money/smallbusiness/the-steep-cost-of-success-female-executives-don-t-like-to-admit-they-pay-for-domestic-help-but-here-s-why-that-secret-is-hurting-everyone/ar-AA1516ik?ocid=mailsignout&pc=U591&cvid=51eb3a10d3b544498d017f958831a73e

unpaid work between men and women; but it also demands policies that enable families to thrive, including better pay and benefits such as paid sick leave, and quality childcare options for families in which all parents need or choose to work.

CEO-Median worker pay ratio high and growing

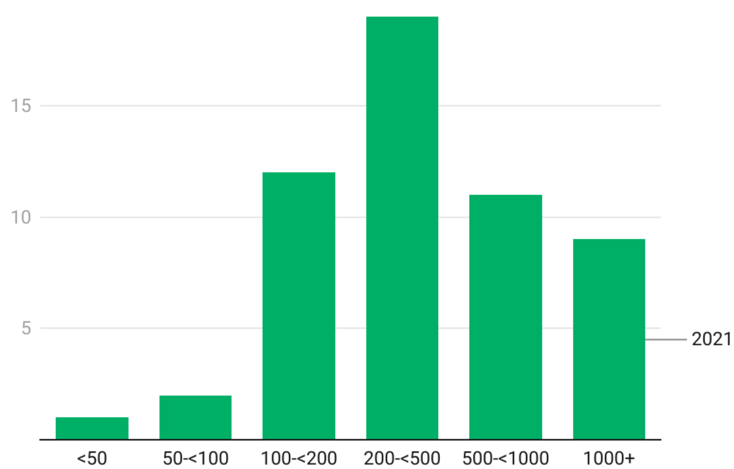
All but three of the 54 largest reporting Ohio employers paid their CEOs more than 100 times what they paid their median worker in 2021. Nine companies, eight of which are retailers, paid their CEOs more than 1,000 times what they paid their typical worker. This figure is up from seven companies in 2020, three in 2019 and six companies in 2018. Amazon had the highest ratio — 6,474-to-1 — exceeding Abercrombie and Fitch as the record holder for the first time since records were kept. Amazon did not provide a description of its median worker.

Thirty-nine CEOs were paid more than 200 times what the median worker was, and 34 — more than half — made at least 300 times as much. Twenty companies paid CEOs over 500 times as much as the median worker. Figure 2 shows ratios of CEO to median worker pay for the past five years, since figures were kept.

Figure 2

Ratio of CEO pay to median worker pay, 2021

Nearly two thirds of CEO's paid at least 200 times median employee



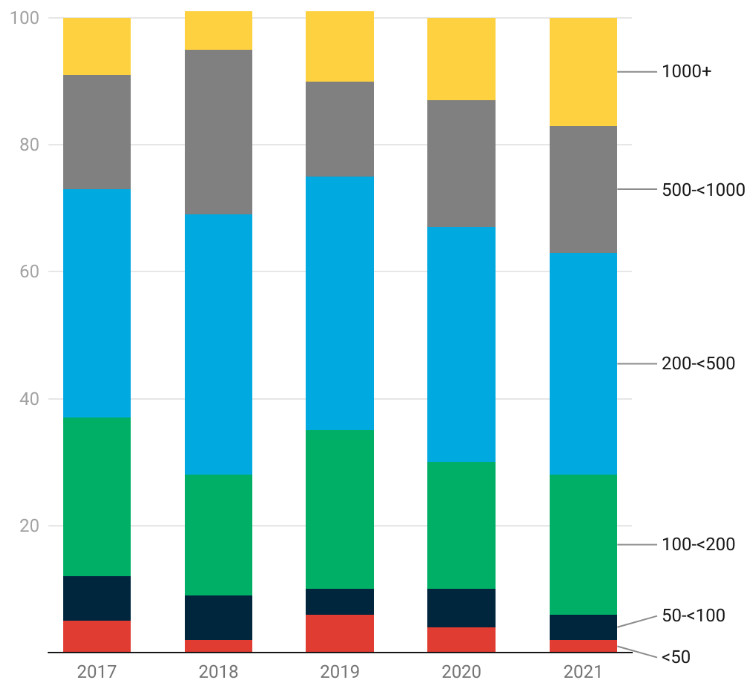
Source: Policy Matters Ohio from Schedule 14(A) company proxy statement filings with SEC, FY 2021 or FY 2020. • Created with Datawrapper

The percentage of corporations with a ratio greater than 1,000-to-1 is at an all-time high since corporations began reporting the figures — 17% of CEOs paid themselves more than 1,000 times as much as their median worker in 2021, compared to 13% in 2020 and 6% in 2019. The share of CEOs at the largest Ohio corporations paid at least 500 times that of the median worker increased from 27% when figures were first reported for 2017 to 37% for 2021. Firms with a ratio between 200- and 500-to-1 made up the largest single group last year, with 19 companies (35%). Figure 3 shows ratios of CEO to median worker pay for the past four years.

Figure 3

Ratio of CEO pay to median worker pay, 2017-2021

The share of CEOs being paid 1,000 time more than a typical worker increased



Source: Policy Matters Ohio from Schedule 14(A) company proxy statement filings with SEC, FY 2021 or FY 2020. • Created with Datawrapper

Appendix B shows CEO pay, median worker pay, and the pay ratio at each of 54 Ohio employers, ranked by Ohio employment.

Ohio Fortune 500 companies

CEO-to-median worker pay ratios were large but slightly less extreme among the 21 Ohio companies on the Fortune 500 list of the nation's largest companies that reported data. Average CEO pay among the Ohio Fortune 500 companies was $13.5 million, up from $12.2 million last year, but less than the $21.7 million among the top Ohio employers. Cintas Corporation, with a ratio of 187 to 1, had the median CEO-to-median worker pay ratio among the Ohio Fortune 500. This figure, though less than half of the rate for the state's largest employers, is still a remarkably high number that exceeds historic norms from recent decades. Cintas CEO Scott Farmer was paid $9.0 million, while the median worker was paid $48,300.

While the largest ratios don't match those of the big Ohio employers, all but four pay their CEO at least 100 times what their median worker makes, and 10 pay at least 200 times as much. Ratios for the Ohio Fortune 500 ranged from 62-to-1 at Cincinnati Financial to 1,662-to-1 at Bath and Bodyworks. Bath and Bodyworks was formed as its own company, along with

Victoria's Secret, in August 2021 through a split of parent company L Brands. Appendix A lists the results for reporting companies.

CEOs' privileged status

The income captured by CEOs exerting their unique positions of power to influence pay could otherwise have gone to the people whose work made that income possible. It also serves as a signifier of the imbalanced power dynamic that has come to dominate workplaces as corporations have pushed down union membership over recent decades and too many policymakers have used their own power to keep working people undervalued and underpaid.

Several factors allowed CEOs to consolidate such wealth. CEOs wield significant influence over board decisions to set their own pay. Policy choices to relax financial industry regulations have enabled corporate heads to manipulate company stock values through share buybacks once illegal under Securities and Exchange regulations.[22] Rapid globalization fostered by tax and trade policies and improved communication technologies gave large corporations unprecedented access to the lowest paid and least protected workers in the world.[23] This undercut working people's bargaining power. Policymakers compounded the challenge by removing government policies that once provided balance and, in some cases, passing hostile policies including "right-to-work" laws.[24] The resulting fall in union density has allowed CEOs to further consolidate the power they have used to capture a growing share of the income produced over recent decades.[25]

Since the 1970s, public policies and corporate practices that allowed CEO pay to balloon have been major drivers of economic inequality. Even among the highest paid Americans, a large portion of all growth has gone to CEOs. Researchers found that from 1979 to 2005, CEOs outside of the finance industry captured 36% of growth in the top 1% of households' income share, and 44% for the top 0.1%.[26] Finance industry executives and others captured a further 23% in both groups.

CEO pay patterns during early COVID-19 that reflected CEOs' privileged and insulated status have continued as we move past the pandemic. In 2020, some CEO's took cuts to their base salary but still realized major pay gains because most of their pay consists of stock awards. Nationally, average CEO pay at major corporations grew 11.1% as realized and 9.8% as awarded from 2020 to 2021.[27] CEO pay as "realized" — by being cashed out or vested — differs from pay at the time it is awarded; because a large part of CEO compensation is

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[22] Lazonick, William; Mustafa Erdem Sakinç; and Matt Hopkins, "Why Stock Buybacks Are Dangerous for the Economy," Harvard Business Review, January 2020, https://hbr.org/2020/01/why-stock-buybacks-are-dangerous-for-the-economy

[23] Hanauer, Amy. "Trade deals aren't enough: Fixing the tax code to bring American jobs back," Institute on Taxation and Economic Policy, July 2020, https://groundworkcollaborative.org/wp-content/uploads/2020/07/GWC2039_Tax-Paper.pdf

[24] Bivens, Josh and Heidi Shierholz, "What labor market changes have generated inequality and wage suppression?," The Economic Policy Institute, December 12, 2018, https://www.epi.org/publication/what-labor-market-changes-have-generated-inequality-and-wage-suppression-employer-power-is-significant-but-largely-constant-whereas-workers-power-has-been-eroded-by-policy-actions/

[25] Economic Policy Institute, "Unions help reduce disparities and strengthen our democracy," April 23, 2021, https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/

[26] Bakija, Jon, Adam Cole, and Bradley Heim. 2012. "Job and Income Growth of Top Earners and the Causes of Changing Income Inequality: Evidence from U.S. Tax Return Data." Department of Economics Working Paper, Williams College, April 2012. These reports rely on household income data from tax filings, not on individual rates of pay. Households were grouped based on the occupation of the head-of-household.

[27] Bivens, Josh and Jori Kandra, "CEO Pay Has Skyrocketed 1,460% since 1978," The Economic Policy Institute, October 4, 2022, https://www.epi.org/publication/ceo-pay-in-2021/

comprised of corporate stock awards, any increases in the value of those stocks lift CEOs' pay, even if they are driven by overall market gains, not by company performance. These figures mean both that corporate boards *awarded* CEO's large pay boosts over the past year, and that corporate stock prices continued rising after their rapid recovery by fall 2020 from a decrease at the beginning of the pandemic. Since the beginning of COVID-19, CEOs captured windfalls at a time when many workers faced new workplace safety risks associated with the pandemic, or layoffs.[28] The next two sections discuss how CEOs can leverage both relationships with their boards and share buybacks to boost their own pay without improving company performance.

CEOs and corporate boards

CEOs wield significant influence over board decisions to set their own pay through a number of mechanisms. "Internal" directors are employed by the corporation and report — sometimes directly — to the CEO. "Outside" directors routinely sit in "reciprocal" relationships with CEOs, in which a board member from another company sits on the CEO's board, and the CEO sits on theirs, creating the opportunity for a kind of quid pro quo rubber stamp of outsized CEO pay packages.[29] Warren Buffet has noted the dependency of non-wealthy outside directors on corporate CEOs as their ticket into lucrative roles on the corporation's and other boards; for these directors, the $250,000 to $300,000 pay for sitting on a corporate board can be a significant incentive to get along with corporate management, who holds the power to recommend the director to sit on other boards.[30] None of these factors has anything to do with improving company performance, but all are relationships CEOs can leverage to influence their own pay package. Early in the pandemic, many corporations changed their own rules surrounding executive pay, scrapping performance targets in order to protect CEOs' compensation as other workers struggled with unemployment or the health risks of the pandemic.[31] The fact that CEO pay has substantially outpaced pay increases for other top 0.1% earners suggests that this special position of power — not a market for CEO skills — has been a key factor driving CEO pay growth.[32]

Under SEC rules adopted in 2011 as part of Dodd-Frank, publicly traded companies are required to hold "say-on-pay" votes at least once every three years, during which shareholders are asked to consider executive pay packages.[33] However, management may choose to make these votes non-binding, meaning that they can take shareholder sentiment as advisory and disregard the vote. It is unusual for investors to reject CEO pay packages, however a growing number did so in 2021. While 97% of publicly traded companies passed their say-on-pay votes in 2021, at least 53 companies on the Russell 3000 failed, and winning

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[28] Shields, Michael. "Essential in Ohio," Essential Ohio, July 2021, https://90a7d4d6-0bde-4565-8d20-e44caf499331.filesusr.com/ugd/951c80_744fbde72fed47fc9917e0d522514f2f.pdf
[29] Fich, Eliezer M. and Lawrence White, "Why do CEOs reciprocally sit on each other's boards? SSRN Electronic Journal, March 2005, https://www.researchgate.net/publication/222819558_Why_do_CEOs_reciprocally_sit_on_each_other's_boards
[30] Barnett, P. "Buffet on Boards: 'Directors are often captive to the management teams they are meant to supervise," Circulo de Directores, February 25, 2020, http://www.circulodedirectores.org/2020/02/25/buffett-on-boards-directors-are-often-captive-to-the-management-teams-they-are-meant-to-supervise/
[31] Anderson, Sarah, and Sam Pizzigati. "Executive Excess Report 2021: Pandemic Pay Plunder." Institute for Policy Studies, May 2021, https://bit.ly/3iplzcN.
[32] Bivens, Josh and Jori Kandra, "CEO Pay Has Skyrocketed 1,460% since 1978," The Economic Policy Institute, October 4, 2022, https://www.epi.org/publication/ceo-pay-in-2021/
[33] Securities and Exchange Commission, "SEC adopts rules for Say-on-Pay and golden parachute compensation as required under Dodd-Frank Act," January 25, 2011, https://www.sec.gov/news/press/2011/2011-25.htm

votes are beginning to carry narrower margins, signaling increasing investor willingness to reject pay packages, especially when sound investment advisors recommend against them.[34]

The role of stock buybacks

While outsized CEO compensation itself does not cost these companies a large share of total corporate revenue, tying CEO pay to stock performance can motivate CEOs to manipulate corporate valuations in ways that can. CEOs' pay is mostly comprised of corporate shares, so any decisions that boost share prices directly benefit CEOs. CEOs can direct corporate policy to maximize their own compensation by boosting share prices through financial games such as share buybacks, which can boost share prices — and thus executive pay — in the near term, at the expense of investments that make the company more effective at its core work.[35] Shares repurchased by the company are simply "reabsorbed" and no longer exist. Stock repurchases are a kind of financial gaming that boosts the price of corporate shares by making them more rare, without changing any of the company's fundamental assets or operations.

At least 23 of the largest publicly traded Ohio employers made stock repurchases in 2021 or Fiscal Year 2022. Lack of uniform reporting means the figure could be higher. The Home Depot reported sending $22 billion to shareholders in the form of "dividends and share repurchases" in Fiscal Year 2021.[36] Walmart reported $15.9 billion.[37] In each case, the money spent on share repurchases is money earned by the company's workforce through its core business activities; and money that could have been invested in technology, research and development, or to raise workers' pay. The Institute for Policy Studies found that the $13.1 billion Lowe's spent on share repurchases last year could have been used to give every employee a $40,000 raise; instead median pay fell 7.6 percent to $22,697.[38] Lowe's employs 325,000 people, including 14,400 in Ohio.

Corporations leveraged inflation to price gouge – and cause more inflation

As the immediate threat of COVID-19 abates, corporations continue to exploit the temporary supply shortages it caused in order to gouge consumers with increased prices that boost corporate profits. Corporate executives took advantage of the fact that short term supply chain problems spiked inflation for the first time in decades to raise prices while consumers expected them to go up. Corporate profits comprised 54% of the makeup of price increases through the fourth quarter of last year, meaning that corporations not only passed on their own increased costs to consumers; they used the opportunity to boost their profits on the

[34] Marc Treviño, Jeannette Bander, and June Hu, "2021 Proxy Season Review: Say on Pay Votes and Equity Compensation," Harvard Law School Forum on Corporate Governance, September 8, 2021, https://corpgov.law.harvard.edu/2021/09/08/2021-proxy-season-review-say-on-pay-votes-and-equity-compensation/
[35] Shields, Michael. "Big Ohio CEOs 306: Median Employee 1," Policy Matters Ohio, December 10, 2020, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/big-ohio-ceos-306-median-employee-1
[36] The Home Depot, SEC schedule 14A Proxy statement, May 19, 2022, https://www.sec.gov/Archives/edgar/data/354950/000035495022000116/hd-2022proxystatement.htm
[37] Walmart, SEC schedule 14A Proxy statement, June 1, 2022, https://www.sec.gov/Archives/edgar/data/104169/000010416922000019/a2022proxystatement.htm
[38] Anderson, Sarah, and Sam Pizzigati, "Executive Excess 2022," Institute for Policy Studies, June 2022, https://ips-dc.org/wp-content/uploads/2022/06/report-executive-excess-2022.pdf

hardship of low- and middle-income people.[39] At the same time, wages comprised only 8% of overall price increases.

Corporate attacks on unions drove loss of worker bargaining power

Extreme wealth concentration reflects both the consolidation of power by CEO's and loss of bargaining power among ordinary workers. The most important source of this worker power is labor unions. The share of Ohioans represented by a union was pushed down by corporations from 23% in 1990 to just 13% by 2021.[40] Nationally, union membership peaked at 49.1% in 1940.[41] There is an inverse relationship between union density and the share of all wage income that goes to the top 10%.[42] Corporate managers know this; it's the reason they have mounted a sustained attack on workers' right to form a union over recent decades.[43] Starbucks' efforts to thwart the organizing efforts of baristas is a recent example of a long time trend.

Amazon's relentlessly demanding pace has resulted in a worker injury rate double the warehousing industry norm at 9.6 per 100 workers, and earned it a union organizing drive by workers.[44] Amazon, with the highest CEO-median pay ratio on the list, has responded with a campaign of alleged legal and illegal union busting. By intimidating and monitoring workers, Amazon so interfered with the votes of Bessemer, Alabama workers that the National Labor Relations Board ordered a repeat election.[45] Amazon employs one out of every 153 Americans, including 41,000 in Ohio, meaning that corporate practices there could easily become norms across the whole labor market.[46] Policymakers must take steps to protect workers and place checks on corporate decisions that enrich executives at the expense of workers' health and lives.

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[39] Bivens, Josh, "Corporate profits have contributed disproportionately to inflation How Should Policymakers Respond?" The Economic Policy Institute, April 21, 2022, https://www.epi.org/blog/corporate-profits-have-contributed-disproportionately-to-inflation-how-should-policymakers-respond/

[40] Shields, Michael and Annie Volker, "State of Working Ohio 2022," Policy Matters Ohio, September 5, 2022, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/state-of-working-ohio/state-of-working-ohio-2022#:~:text=Historic%20levels%20of%20federal%20spending,focused%20on%20bringing%20down%20inflation.

[41] Union membership and representation differ slightly, because unions must bargain on behalf of all workers in their unit, regardless of whether the worker chooses to belong to the union. See Economic Policy Institute, "Unions help reduce disparities and strengthen our democracy," April 23, 2021, https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/

[42] Economic Policy Institute, "Unions help reduce disparities and strengthen our democracy," April 23, 2021, https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/

[43] Heidi Shierholz, "Working people have been thwarted in their efforts to bargain for better wages by attacks on unions," The Economic Policy Institute, August 27, 2019, https://www.epi.org/publication/labor-day-2019-collective-bargaining/.

[44] Will Evans, "Behind the smiles: Amazon's internal injury records expose the true toll of its relentless drive for speed," Reveal News, November 25, 2019, https://revealnews.org/article/behind-the-smiles/

[45] Sara Ashley O'Brien, "Amazon union election results should be set aside due to misconduct, NLRB officer recommends," CNN Business, August 3, 2021 https://www.cnn.com/2021/08/02/tech/amazon-union-election/index.html

[46] Jen Scherer, "The future of work depends on stopping Amazon's union busting," The Economic Policy Institute, May 23, 2022, https://www.epi.org/blog/the-future-of-work-depends-on-stopping-amazons-union-busting-shareholders-and-policymakers-must-all-play-a-role-in-protecting-amazon-workers-rights/

Case Study: Starbucks lavished pay on CEOs, racked up union busting charges

At 1,579-to-1, Starbucks had one of the highest CEO-median worker pay ratios in Ohio. CEO Kevin Johnson was paid $20.4 million to the median worker's $12,900. Starbucks' typical worker is a part-time barista but staffing workers part time doesn't leave Starbucks off the hook for low pay: it adds limited hours to the list of concerns. Workers demanding the right to be recognized in a union alleged that Starbucks cut hours in retaliation. Cleveland barista Maddie VanHook said management cut some full-time schedules from 30-35 hours to 22-25, and some part-time staff from 3-4 shifts per week to just one.[47] Starbucks workers lose benefits if they drop below 20 hours.[48]

Workers at nine Ohio locations including in Cleveland, Columbus and Cincinnati have filed for recognition of their union, and eight have successfully formed unions so far.[49] Across the U.S., Starbucks workers have unionized at 264 stores and counting, and unions won 82% of the time they were put to a vote. Four thousand Ohioans work at Starbucks. As of this writing, workers at over 100 Starbucks locations including Westlake, Ohio are on strike demanding that the corporation end union busting, hire enough staff to manage the workload, and bargain in good faith.[50]

Starbucks has aggressively resisted workers' efforts to unionize, especially under the leadership of longtime CEO Howard Schultz, who returned to replace Kevin Johnson in April 2022. Schultz will be replaced by Laxman Narasimhan in April 2023.[51] Besides cutting hours, Starbucks has distributed anti-union propaganda, forced workers to sit in one-on-one anti-union meetings with management, closed stores, and allegedly fired more than 100 workers outright.[52] Starbucks workers' efforts have already won higher wages — for their nonunion counterparts. Starbucks announced pay raises for most of its stores, but falsely claimed it could not raise wages for workers at stores which had voted to unionize.

Starbucks' tactics have been so aggressive that the National Labor Relations Board filed suit alleging more than 325 labor law violations.[53] The NLRB asked the judge to retroactively pay wages and benefits withheld from workers, and to mandate that CEO Schultz record and share a video with Starbucks employees notifying them of the ruling.[54]

Starbucks' brazen resistance to workers' efforts to organize – allegedly in violation of the law – and its pay setting decisions for top management reflect a set of priorities that rewards top executives while holding down wages and attacking workers' rights. It is an extreme example of a broader problem. Resistance to workers' right to form a union has been a sustained corporate strategy for decades; one that has helped the wealthiest to capture nearly all the growth working people have made possible over that time.

[47] Sharon Zhang, "Starbucks union files complaint saying company is cutting hours to union bust," Truthout, March 14, 2022, https://truthout.org/articles/starbucks-union-files-complaint-saying-company-is-cutting-hours-to-union-bust/

[48] Steven Greenhouse, "Starbucks is playing with fire," Slate, May 12, 2022, https://slate.com/news-and-politics/2022/05/starbucks-union-busting-tactics.html

[49] More Perfect Union, "Map: Where are Starbucks workers unionizing?" https://perfectunion.us/map-where-are-starbucks-workers-unionizing/ accessed December 15, 2022

[50] Chris Isidore, "Starbucks union starts 3 day strike at 100 stores," CNN Business, December 16, 2022, https://www.cnn.com/2022/12/16/business/starbucks-strike/index.html, see also Katie Priefer, "Northeast Ohio Starbucks joins national walkout in an effort to unionize," Spectrum News 1, December 16, 2022, https://spectrumnews1.com/oh/cleveland/news/2022/12/16/starbucks-on-strike

[51] Herb Scribner and Kelly Tyko, "Starbucks announces new CEO amid growing unionization effort," Axios, September 1, 2022, https://www.axios.com/2022/09/01/starbucks-ceo-laxman-narasimhan-howard-schultz

[52] Steven Greenhouse, "Starbucks' aggressive union busting is a new model for American corporations," Slate, November 3, 2022, https://slate.com/news-and-politics/2022/11/starbucks-union-busting-tactics-workers-labor-wave-nlrb.html

[53] Andrea Hsu, "Starbucks workers have unionized at record speed; many fear retaliation now," NPR Morning Edition, October 2, 2022, https://www.npr.org/2022/10/02/1124680518/starbucks-union-busting-howard-schultz-nlrb ;

[54] Zach Schonfeld, "NLRB: Starbucks illegally withheld wages, benefits from union workers," The Hill, August 24, 2022, https://thehill.com/business-a-lobbying/business-lobbying/3615623-nlrb-starbucks-illegally-withheld-wages-benefits-from-union-workers/

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Recommendations & conclusion

Reining in excessive CEO pay enjoys broad public support: majorities of both Republicans (62%) and Democrats (75%) support an outright *cap* on CEO pay compared to that of the average worker.[55] To eliminate excessive CEO pay and the even more harmful behaviors it motivates, we need policy solutions that do two things: first, reduce the incentives that give CEOs a personal pay boost for corporate decisions that harm workers and consumers; and second, limit CEOs' ability to wield power over board decision-making on pay. These include tax penalties and bars against government contracts for excessive pay gaps; rules against practices including share buybacks and price gouging; mandates for better worker compensation through a minimum wage that meets the cost of living and honors the value of work; and robust protections for workers seeking to form a union. Unions and public pension plans should enhance their use of "say on pay," and policies should be strengthened to give shareholders decision-making power, not just advisory power, on votes.

The fact that CEO pay has far outstripped pay growth for other groups — even other highly paid workers — reflects the unique position of power that CEOs have to influence the decisionmakers who set their pay, not a competitive market for talent. This also means that CEO pay could be reduced with no loss of productivity or output in the economy. CEO pay is a major driver of inequity, and excessive pay gains captured by CEOs reduce financial resources available to pay other working people. Public policy choices have encouraged corporations to lavish CEOs with exorbitant compensation while holding down wages of rank-and-file workers. The overwhelmingly white and male makeup of CEOs reflects and exacerbates pay disparities across race and gender. Policymakers at all levels of government can make different choices so working people share in the prosperity their work makes possible. CEOs were able to claim outsized pay by consolidating power; good public policy should help to restore balance by empowering ordinary Ohioans.

The following are recommendations for how policymakers can stop CEOs from hoarding the wealth working people create. That way more people will be treated with dignity on the job and more people will be able to provide for themselves and their loved ones.

Impose tax penalties on companies with outsized CEO pay.

The federal Tax Excessive CEO Pay bill sponsored by Sens. Bernie Sanders, Elizabeth Warren, Ed Markey and Chris Van Hollen, as well as Reps. Barbara Lee and Rashida Tlaib in the House, could create an incentive for corporations to reduce their pay ratios by raising federal tax rates for firms with large pay disparities, but the bills have not moved since their introduction in spring 2021.[56] The tax penalty would be assessed above the 21% corporate income tax rate in the Internal Revenue Code of 1986, and would increase for corporations with larger pay

[55] Tonti, Jennifer, "Survey report: Companies should reduce income inequality by raising minimum wage to living wage and capping CEO compensation," Just Capital, April 2022, https://justcapital.com/wp-content/uploads/2022/05/JUST-Capital_Worker-CEO-Pay-Survey-Analysis_May-2022-min.pdf
[56] https://www.congress.gov/bill/117th-congress/senate-bill/794/committees

gaps, ranging from 0.5% for companies with ratios of more than 50 to 1 to 5% for ratios above 500 to 1.[57] An analysis by the Institute for Policy Studies estimates the bill would generate $150 billion over 10 years. They found that if the bill had been in place in 2021, Walmart, which has a ratio of 1,013 to 1, would have owed an additional $1 billion in federal taxes.[58]

States and localities have also taken action to penalize corporations with outsized executive pay. Portland, Oregon and San Francisco impose tax penalties on companies that pay their CEOs more than 100 times the median worker.[59] Legislators in at least nine states have introduced similar proposals.[60] Ohio and local governments should consider similar measures.

Give contract preference to companies with reasonable pay ratios

The federal Patriotic Corporations of America Act of 2021, sponsored by Rep. Janice Schakowski, with 30 cosponsors, would give preferential treatment in federal contracts to companies with a CEO-median-worker pay ratio of less than 100-to-1.[61] Amazon, which topped this year's list of major Ohio employers with a ratio of 6,474-to-1, received most of the $10.3 billion it took in between October 2019 and May 2022 from the federal government under a contract with the National Security Agency.[62] Policymakers at all levels of government can use procurement powers to effect better business practices. Several cities have passed similar ordinances. Ohio cities have a record of using their procurement powers to protect working people. Cleveland, Ohio this December followed Columbus and Cincinnati in passing an ordinance prohibiting contracts with employers that have recently committed wage theft.[63]

Prohibit share repurchases

Share repurchases were illegal as a form of market manipulation for more than four decades under the Securities and Exchange Act of 1934.[64] The 40 years since Congress repealed the ban under the Reagan Administration in 1982 have ushered in an unprecedented rise in inequality. The Inflation Reduction Act includes a 1% tax on share repurchases made after December 2022.[65] Congress should go further and prohibit the practice.

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[57] S.794 Tax Excessive CEO Pay Act of 2021. 17 Mar. 2021, https://www.congress.gov/bill/117th-congress/senate-bill/794/text?r=20&s=1

[58] Anderson, Sarah. "How Corporations Pumped Up CEO Pay While Their Low-Wage Workers Suffered in the Pandemic." Institute for Policy Studies, 11 May 2021, https://bit.ly/3lsMFIf.

[59] Anderson, Sarah, and Sam Pizzigati. "Executive Excess Report 2021: Pandemic Pay Plunder." Institute for Policy Studies, May 2021, https://bit.ly/3in5X9C.

[60] "CEO-Worker Pay Resource Guide." Inequality.Org, https://bit.ly/2VsVhgW.

[61] H.R.4186 — 117th Congress (2021-2022) "Patriotic corporations act of America act of 2021," https://www.congress.gov/bill/117th-congress/house-bill/4186?s=1&r=5#:~:text=Introduced%20in%20House%20(06%2F25%2F2021)&text=This%20bill%20establishes%20new%20requirements,taxes%2C%20and%20private%20equity%20firms.

[62] Anderson, Sarah, and Sam Pizzigati, "Executive Excess 2022," Institute for Policy Studies, June 2022, https://ips-dc.org/wp-content/uploads/2022/06/report-executive-excess-2022.pdf

[63] Cleveland City Council Codified Ordinances, "AN EMERGENCY ORDINANCE To supplement the Codified Ordinances of Cleveland, Ohio 1976 by enacting new Sections 190.01 - 190.06 related to Wage Theft and Payroll Fraud Prevention," https://cityofcleveland.legistar.com/LegislationDetail.aspx?ID=5836766&GUID=0E7A7995-F853-40E9-9380-AD39CCEBD220&G=2EB18EF1-2C21-4D1D-85C9-B38100AB8FFD&Options=ID%7CText%7C&Search=wage+theft ; see also: Shields, Michal, "Honest Day's Pay," Policy Matters Ohio, May 18, 2022, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/honest-days-pay

[64] Ashworth, Will, "7 Reasons Stock Buybacks Should Be Illegal," yahoo!life, June 6, 2019, https://www.yahoo.com/lifestyle/7-reasons-stock-buybacks-illegal-172253787.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAF4OdflMRF_yFCgSZj1l6fPGjAidq465Nt8dmcf8MvP6042-YZJ3WWcfDAJ9bXv6xDLLr0yORdaqnckHxiOYZkMkB2HDKBlEA0vksR3A7biBgxWIzDvelbLLXFCAKISLoZ5LmcU4_pw4vX057k-F5M4C4udbKCEToQ-Y5CyE2mlY

[65] Baker Botts, "New 1% excise tax on stock buybacks by publicly-traded corporations," September 20, 2022, https://www.bakerbotts.com/thought-leadership/publications/2022/september/new-1-excise-tax-on-stock-buybacks-by-publicly-traded-corporations#:~:text=New%201%25%20Excise%20Tax%20on%20Stock%20Buybacks%20By%20Publicly%2DTraded%20Corporations,-20%20September%202022&text=The%20recently%2Denacted%20Inflation%20Reduction,occur%20after%20December%2031%2C%202022

End price gouging.

Corporate profits have driven inflation since the beginning of COVID-19, reaching 54% of the makeup of price increases through the fourth quarter of last year and falling only modestly as a share of total inflation since then.[66] Price gouging has further increased corporate profits above record levels just before COVID-19, and contributed to inflation levels not seen in four decades and a policy response from Federal Reserve policymakers likely to set off a recession before Ohio and many other states have recovered the jobs lost in the last one.[67] The federal COVID-19 Price Gouging Prevention Act, sponsored by Rep. Jan Schakowski, would prohibit corporations from exploiting the crisis caused by COVID-19 to excessively raise prices.[68] Such targeted policies are vital both to bring down inflation and to ensure that the working people most harmed by inflation do not also bear the cost of reducing it.

Raise pay for working people with a living minimum wage.

Over the last several decades, while executive pay exploded, employers pushed down wages for the lowest paid workers. Policymakers let inflation erode the value of the minimum wage since its highest level in 1968, worth about $14 an hour in today's dollars, compared to Ohio's $10.10 next year and the federal minimum of $7.25.[69] Policy Matters found that a $15 minimum wage effective by 2026 would benefit nearly 1.6 million Ohioans.[70] Ohio lawmakers should pass a $15 minimum wage that values the dignity of work and meets the cost of living. If they fail or refuse to do so, Ohio voters can raise the minimum wage as they did in 2006; this time to cover lost ground and implement a wage that meets the cost of living and honors the value of the vital work Ohioans do.

Protect the right to organize

Policies are also needed to help working people to reclaim power. Amazon workers in several states held strikes this year demanding better pay and safe workplaces in warehouses where the company's rapid pace demands result in extraordinarily high injury rates.[71] Starbucks workers have organized to form unions at hundreds of locations across the nation and already won many, including nine in Ohio alone.[72] The Protecting the Right to Organize (PRO) Act would make it easier to form a union by ending employer interference and intimidation.[73]

For decades, CEO pay has been a growing symptom of inequality, and CEOs' influence over the board members who set their pay is tied to corporate priorities out of sync with democratic values of building an equitable community in which everyone can thrive. Measures to reduce the yawning gap between CEOs and the rest of us enjoy overwhelming public support. Policymakers must step in to restore balance to pay outcomes and power.

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[66] Bivens, Josh, "Corporate profits have contributed disproportionately to inflation How Should Policymakers Respond?" The Economic Policy Institute, April 21, 2022, https://www.epi.org/blog/corporate-profits-have-contributed-disproportionately-to-inflation-how-should-policymakers-respond/

[67] Shields, Michael, "Jobwatch: Ohio added jobs last month as goods producers recovered COVID losses," Policy Matters Ohio, November 18, 2022, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/job-watch/jobwatch-ohio-added-jobs-in-october-as-goods-producers-recovered-covid-losses

[68] https://www.congress.gov/bill/117th-congress/house-bill/675

[69] Shields, Michael. "Fairer pay will boost Ohio," Policy Matters Ohio, April 2021, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/minimum-wage/fairer-pay-will-boost-ohio

[70] Shields, Michael. "Fairer pay will boost Ohio," Policy Matters Ohio, April 2021, https://www.policymattersohio.org/research-policy/fair-economy/work-wages/minimum-wage/fairer-pay-will-boost-ohio

[71] Sainato, Michael, "Amazon workers strike amid allegations of crackdown on unionization activities," The Guardian, October 26,2022, https://www.theguardian.com/us-news/2022/oct/26/amazon-union-workers-strike-protests

[72] More Perfect Union, "Map: Where are Starbucks workers unionizing?" https://perfectunion.us/map-where-are-starbucks-workers-unionizing/ accessed July 26, 2022

[73] Celine McNicholas, Margaret Poydock, and Lynn Rhinehart, "How the PRO Act restores workers' right to unionize," The Economic Policy Institute, February 4, 2021, https://www.epi.org/publication/pro-act-problem-solution-chart/

Appendices

Appendix A: CEO/Median Employee Pay 2021						
Ohio-based Fortune 500 Companies that reported ratios						
Company	Headquarters Location	Fortune 500 Rank	CEO Name	Total CEO Comp.	Median Comp.	Ratio
Cardinal Health	Dublin	15	Mike Kaufmann	$ 12,497,007	$ 48,291	259
Marathon Petroleum Corp	Findlay	19	Michael Hennigan	$ 21,185,206	$ 148,850	142
Kroger	Cincinnati	21	Rodney McMullen	$ 18,168,730	$ 26,763	679
Procter and Gamble	Cincinnati	47	David Taylor	$ 23,900,381	$ 69,671	343
Progressive Corporation	Mayfield	79	Tricia Griffith	$ 14,462,961	$ 65,874	220
Sherwin-Williams Company	Cleveland	175	John Morikis	$ 15,843,760	$ 43,321	366
Goodyear Tire & Rubber Company	Akron	209	Richard Kramer	$ 21,415,578	$ 43,746	490
American Electric Power	Columbus	219	Nick Akins	$ 15,051,215	$ 111,771	135
Parker-Hannifin	Mayfield Height	253	Thomas Williams	$ 17,034,500	$ 56,274	303
Andersons	Maumee	295	Patrick Bowe	$ 5,779,158	$ 81,053	71
FirstEnergy	Akron	343	Steven Strah[1]	$ 10,714,062	$ 124,120	86
Cincinnati Financial	Fairfield	367	Steven Johnston	$ 6,490,767	$ 105,458	62
American Financial Group	Cincinnati	383	Carl Lindner III (S. Craig Lindner,)	$ 12,449,582 ($12,341,739)	$ 71,738	174
Dana	Maumee	391	James Kamsickas	$ 10,616,003	$ 47,624	223
Owens Corning	Toledo	408	Brian Chambers	$ 9,782,143	$ 64,753	151
FifthThird Bancorp	Cincinnati	415	Greg Carmichael	$ 10,531,649	$ 66,720	158
J.M. Smucker	Orrville	426	Mark Smucker	$ 8,511,639	$ 86,742	98
Bath & Bodyworks	Reynoldsburg	435	Andrew Meslow	$ 17,668,627	$ 10,632	1662
Key Corp	Cleveland	449	Christopher Gorman	$ 8,653,484	$ 73,571	118
Cintas Corporation	Mason	470	Scott Farmer	$ 9,035,393	$ 48,274	187
Victoria's Secret	Reynoldsburg	480	Martin Waters[2]	$ 12,905,231	$ 10,856	1,189

Source: Policy Matters Ohio from Schedule 14(A) company proxy statement filings with SEC, FY 2021 or FY 2020. Companies listed in blue mark those that are also among Ohio's largest employers. Those in green are not. 1) Steven Strah was named CEO of FirstEnergy in March 2021 and stepped down in September 2022. 2) Martin Waters was named CEO of Victoria's Secret following the split of L Brands in 2021.

Policy Matters Ohio

Appendix B: CEO/Median Employee Pay 2021

Ohio's major employers that reported ratios

Company	Ohio Employment Rank	Ohioans Employed	CEO Name	Total CEO Comp.	Median Comp.	Ratio
Walmart Inc.	1	53,310	Doug McMillon	$25,670,673	$25,335	1013
Kroger Co.	3	42,000	Rodney McMullen	$18,168,730	$26,763	679
Amazon.com, Inc.	4	41,000	Andrew Jassy[1]	$211,933,520	$32,855	6474
JPMorgan Chase & Co.	10	21,500	Jamie Dimon	$84,435,729	$92,112	917
United Parcel Service, Inc.	14	14,798	Carol Tomé	$15,219,669	$50,379	548
Lowe's Companies, Inc.	15	14,400	Marvin Ellison	$17,871,716	$22,697	787
Progressive Corporation	19	13,000	Tricia Griffith	$14,462,961	$65,874	220
Home Depot, Inc.	20	12,500	Craig Menear	$13,059,751	$28,697	455
Whirlpool Corporation	25	11,079	Marc Bitzer	$18,764,918	$27,128	692
CVS Health Corporation	26	11,000	Karen Lynch[2]	$20,604,192	$45,010	458
Procter & Gamble Company	26	11,000	David Taylor	$23,900,381	$69,671	343
Huntington Bancshares Incorporated	28	10,200	Stephen Steinour	$9,619,178	$58,430	165
Cedar Fair, L.P.	31	9,800	Richard Zimmerman	$9,991,165	$10,122	987
Berkshire Hathaway, Inc.	31	9,800	Warren Buffett	$373,204	$58,881	6
Target Corporation	34	9,700	Brian Cornell	$19,758,766	$25,501	775
AT&T, Inc.	35	9,600	John Stankey	$24,820,879	$107,570	231
PNC Financial Services Group, Inc.	36	9,449	William Demchak	$17,527,319	$78,333	224
General Electric Company	37	9,410	H. Lawrence Culp Jr.	$22,663,449	$55,064	412
Fifth Third Bancorp	38	8,300	Greg Carmichael	$10,531,649	$66,720	158
Dollar General Corp.	40	8,000	Todd Vasos	$16,618,873	$17,773	935
Charter Communications Inc. / Spectrum	41	7,950	Tom Rutledge	$41,860,263	$60,007	698
Dollar Tree, Inc.	43	7,700	Michael Witynski	$10,249,698	$13,490	760
Kohl's Corporation	44	7,555	Michelle Gass	$12,924,834	$11,921	1084
Ford Motor Company	48	6,850	Jim Farley	$22,813,174	$64,003	356
TJX Companies Inc	50	6,600	Ernie Herrman	$31,802,000	$14,139	2249
KeyCorp	50	6,600	Christopher Gorman	$8,653,484	$73,571	118
Cardinal Health, Inc.	54	6,300	Mike Kaufmann	$12,497,007	$48,291	259
Walgreens Boots Alliance, Inc.	56	6,200	Rosalind Brewer[3]	$28,464,562	$26,255	1084
Victoria's Secret	57	6158	Martin Waters[4]	$12,905,231	$10,856	1,189
Sherwin-Williams Company	58	6,111	John Morikis	$15,843,760	$43,321	366
Cleveland Cliffs	60	6,000	Lourenco Goncalves	$24,494,731	$125,396	195
American Electric Power Co., Inc.	62	5,550	Nick Akins	$15,051,215	$111,771	135
Bath & Bodyworks	64	5,000	Andrew Meslow	$17,668,627	$10,632	1662
FedEx Corporation	64	5,000	Frederick Smith	$14,338,756	$46,171	311
Goodyear Tire & Rubber Company	68	4,615	Richard Kramer	$21,415,578	$43,746	490
AutoZone	71	4,500	William Rhodes III	$14,838,996	$30,375	488
U.S. Bancorp	72	4,459	Andrew Cecere	$9,186,819	$85,166	225

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Appendix B (cont): CEO/Median Employee Pay 2021

Ohio's major employers that reported ratios

Company	Ohio Employment Rank	Ohioans Employed	CEO Name	Total CEO Comp.	Median Comp.	Ratio
FirstEnergy Corp.	74	4,400	Steven Strah[5]	$10,714,062	$124,120	86
General Motors Corporation	75	4,322	Mary Barra	$28,263,705	$69,433	420
Starbucks Corporation	77	4,000	Kevin Johnson[6]	$20,425,163	$12,935	1,579
Macy's, Inc.	80	3,942	Jeffrey Gennette	$12,290,931	$28,037	438
Elevance Health	80	3,975	Gail Boudreaux	$19,348,241	$51,005	379
Honeywell International Inc.	83	3,800	Darius Adamczyk	$26,106,477	$75,529	346
Norfolk Southern Corporation	83	3,775	James Squires	$14,030,009	$99,945	140
Big Lots, Inc.	84	3,650	Bruce Thorn	$9,042,187	$9,085	995
Abercrombie & Fitch Co.	86	3,522	Fran Horowitz	$12,851,399	$3,915	3282
Cintas Corporation	89	3,462	Scott Farmer	$9,035,393	$48,274	187
Cincinnati Financial	90	3,450	Steven Johnston	$6,490,767	$105,458	62
Verizon Communications Inc.	92	3,300	Hans Vestberg	$20,361,824	$122,492	166
Rite Aid Corporation	93	3,260	Heyward Donigan	$9,921,597	$49,985	198
Lincoln Electric Holdings,	95	3,170	Christopher Mapes	$9,213,820	$48,154	191
Marathon Petroleum	96	3,100	Michael Hennigan	$21,185,206	$148,850	142
Bread Financial Holdings	97	3,000	Ralph Andretta	$11,179,238	$76,638	146
Emerson Electric Company	100	2,900	Surendralal (Lal) Karsanbhai[7]	$16,048,119	$42,499	378

Source: Policy Matters Ohio from Schedule 14(A) company proxy statement filings with SEC FY 2021 or 2020. 1) Andrew Jassy replaced Amazon founder Jeff Bezos as CEO in July 2021. 2) Karen Lynch became CEO of CVS in February 2021 following three years running Aetna after that company was acquired by CVS. 3) Rosalind "Roz" Brewer became the first Black woman to head a Fortune 500 company after she was promoted to CEO of Walgreens in January 2021 after four years as COO of Starbucks. 4) Martin Waters was named CEO of Victoria's Secret following the split of L Brands in 2021. 5) Steven Strah was named CEO of FirstEnergy in March 2021 and stepped down in September 2022. 6) Kevin Johnson stepped down as CEO of Starbucks in March 2022 in favor of interim and former CEO Howard Schultz. Schultz will step down in March 2023. 7) Lal Karsanbhai was named CEO of Emerson Electric in February 2021.

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