



PRESS RELEASE

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Major Ohio CEOs make 322 times pay of typical employee

Fifty-four of Ohio's largest employers paid their CEOs a median of 322 times what they paid the typical employee in 2020, according to a new report by Policy Matters Ohio.

The federal Dodd-Frank Act requires publicly traded companies provide the ratio of CEO pay to the median employee — the person whose pay falls in the middle of all employees. Policy Matters analyzed all 54 of Ohio's top 100 employers that filed reports with the Securities and Exchange Commission (SEC). The average CEO on that list was paid nearly \$16 million last year, compared to \$14.6 million in 2019. Meanwhile, at the median, these corporations cut the typical worker's pay from \$52,500 in 2019 to \$51,494 in 2020. Fifteen of the major employers reported median pay of less than \$26,500, roughly the federal poverty level for a family of four. Together, these 15 companies — including Walmart, Kroger, and Dollar Tree — employed more than 185,000 Ohioans at the time of reporting.

"We report on these numbers every year, and every year we see too many CEOs and corporate boards short-changing working people to capture wealth for themselves," said lead report author Michael Shields. "This is not about productivity or value, it's about power. In 2020, while many people put their health at risk to come to work, instead of honoring that work with fair pay, CEOs ended hazard pay and themselves benefitted from the stock market surge, exploiting the pandemic to pull even further away from the people who do the actual work of their corporations."

Policy Matters found that the share of CEOs at the largest Ohio corporations paid at least 500 times that of the median worker increased slightly from 25% in 2017, the first year data were reported, to 33% in 2020. Thirteen percent of CEOs paid themselves more than 1,000 times as much as their median worker in 2020, compared to 9% in 2017. Many of the corporations with the highest ratios also have among the lowest median worker pay. For example:

- New Albany-based Abercrombie & Fitch has the highest CEO to median employee ratio of 6,565 — paying CEO Fran Horowitz \$11.9 million compared to the typical employee, who works part-time for about \$10 to \$11 an hour. A&F has topped the list every year since data began in 2017.
- With 39,500 workers, Cincinnati-based grocery chain Kroger is the state's third-largest employer. CEO Rodney McMullen's pay of \$23.4 million was 909 times that of the typical employee, who made \$24,617 last year. McMullen's pay rose \$2.3 million from 2019. Early in the pandemic, the grocery store chain paid essential frontline workers an extra \$2 per hour but cut hazard pay in June 2020. Unions help: this May, Kroger workers in Cincinnati and Dayton won a \$4.78 raise over the next five years.
- Walmart, Ohio's second-largest employer with 50,400 workers, paid CEO Doug McMillon \$22.5 million in 2020 — 1,078 times the typical employee's \$20,942 salary. Walmart gave full-time frontline workers what equated to a \$0.63 an hour raise for hazard pay. Considering its \$5 billion in additional profit last year, Walmart could have paid nearly an additional \$2.50 per hour, and still made more profit than it did in 2019.

"With many corporations raking in higher and higher profits, there is more than enough for every worker to be paid a decent wage," Shields said. "Astronomical CEO pay further

concentrates wealth in the hands of a few – most of whom are white men. Policymakers at all levels of government should make broadly shared prosperity for people of all races and genders their top priority. They can start by leveraging tax policy to penalize corporations for outsized CEO pay and rewriting the rules so working people are paid enough to provide for themselves and their families.”