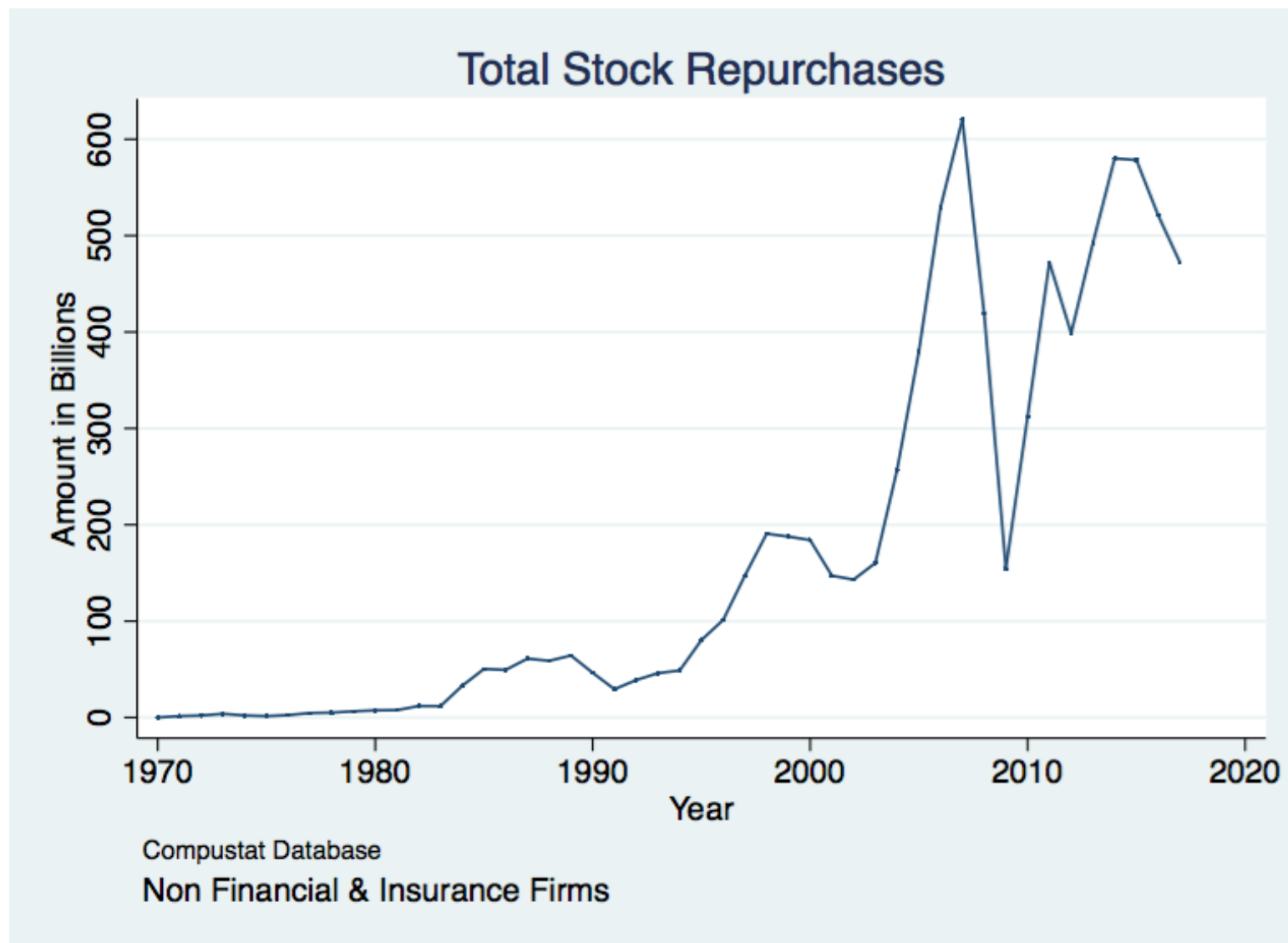


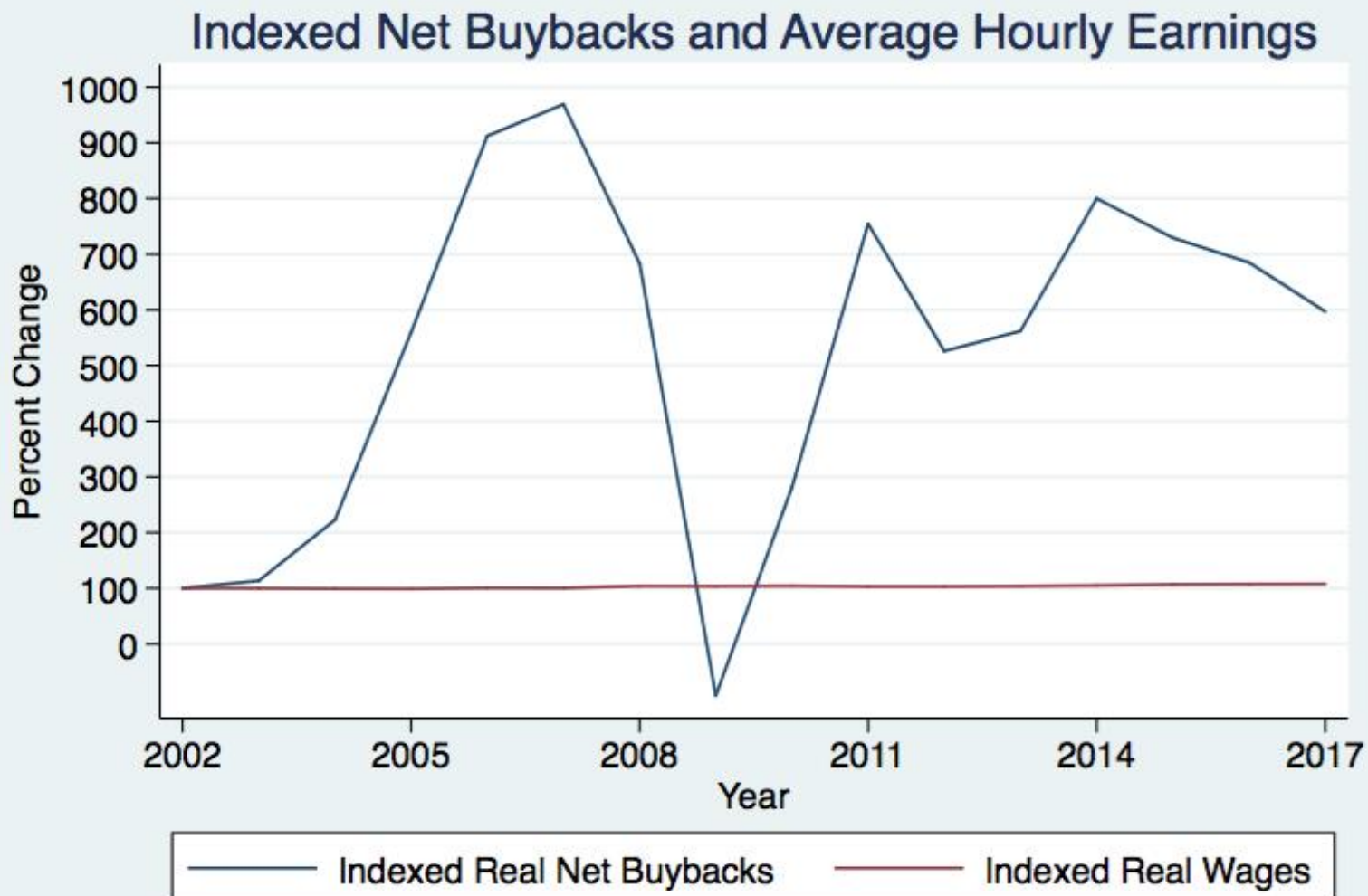
Stock Buybacks Have
Been Growing Rapidly For
Nearly Twenty Years;

They're Expected to Top
\$1 TRILLION in 2018.



Meanwhile...

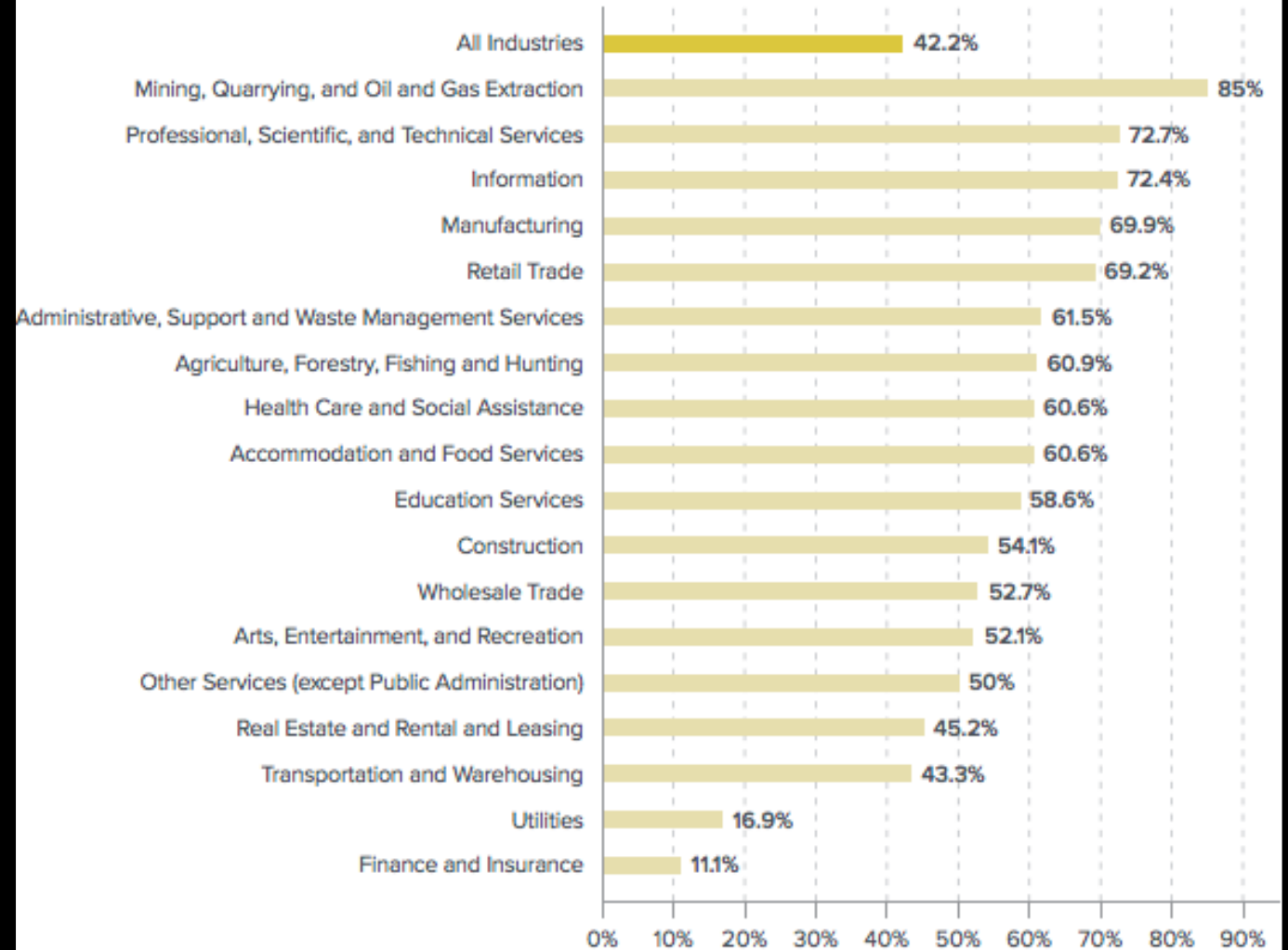
What's Happened
To Wages?

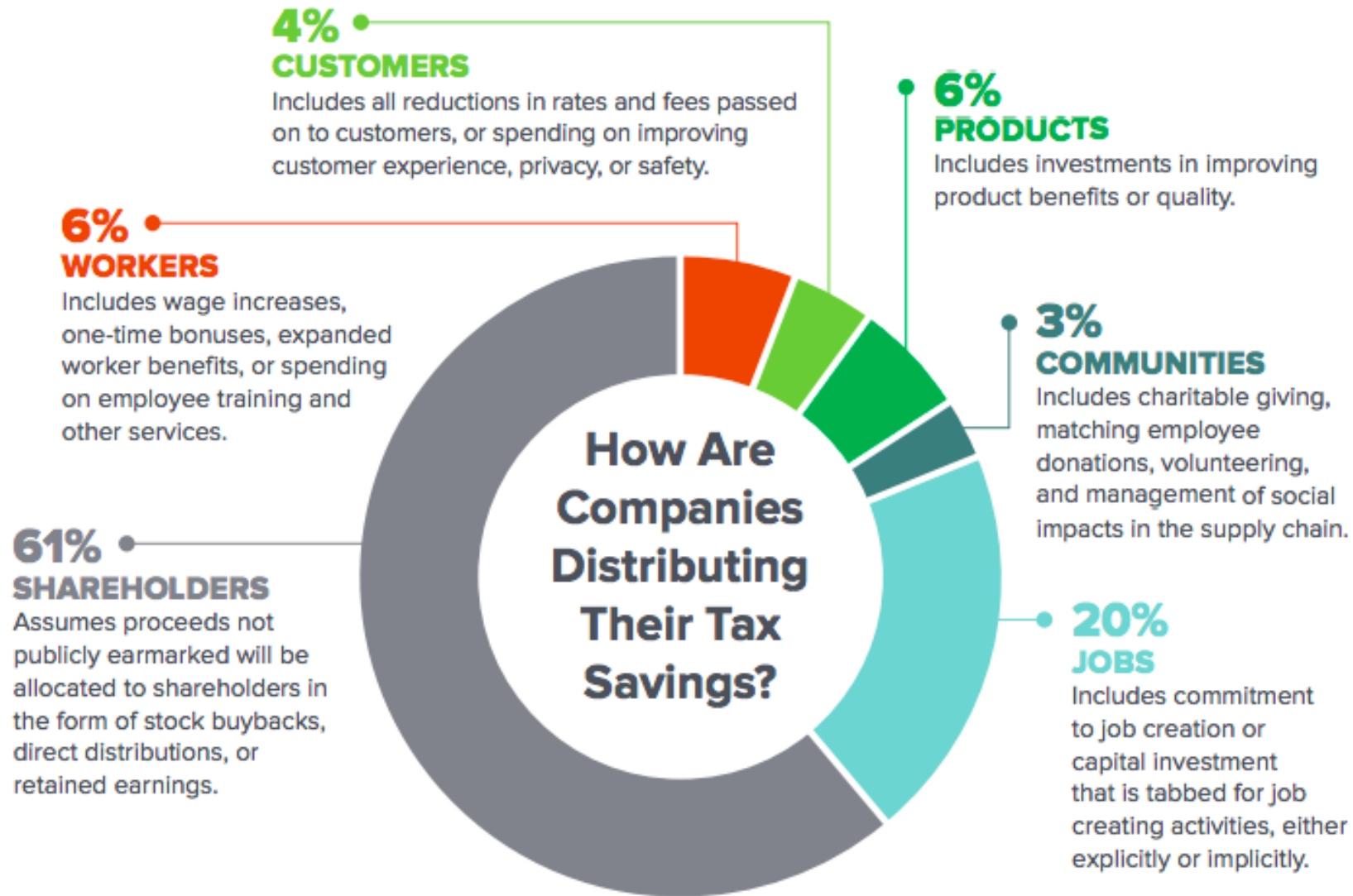


Source: COMPUSTAT Database. Collected by Roosevelt Institute

Across many industries stock buybacks are eating into company profits, profits that could be redirected to employee wages.

SHARE OF COMPANIES SPENDING MORE THAN HALF OF PROFITS ON STOCK BUYBACKS, BY INDUSTRY, 2015-2017

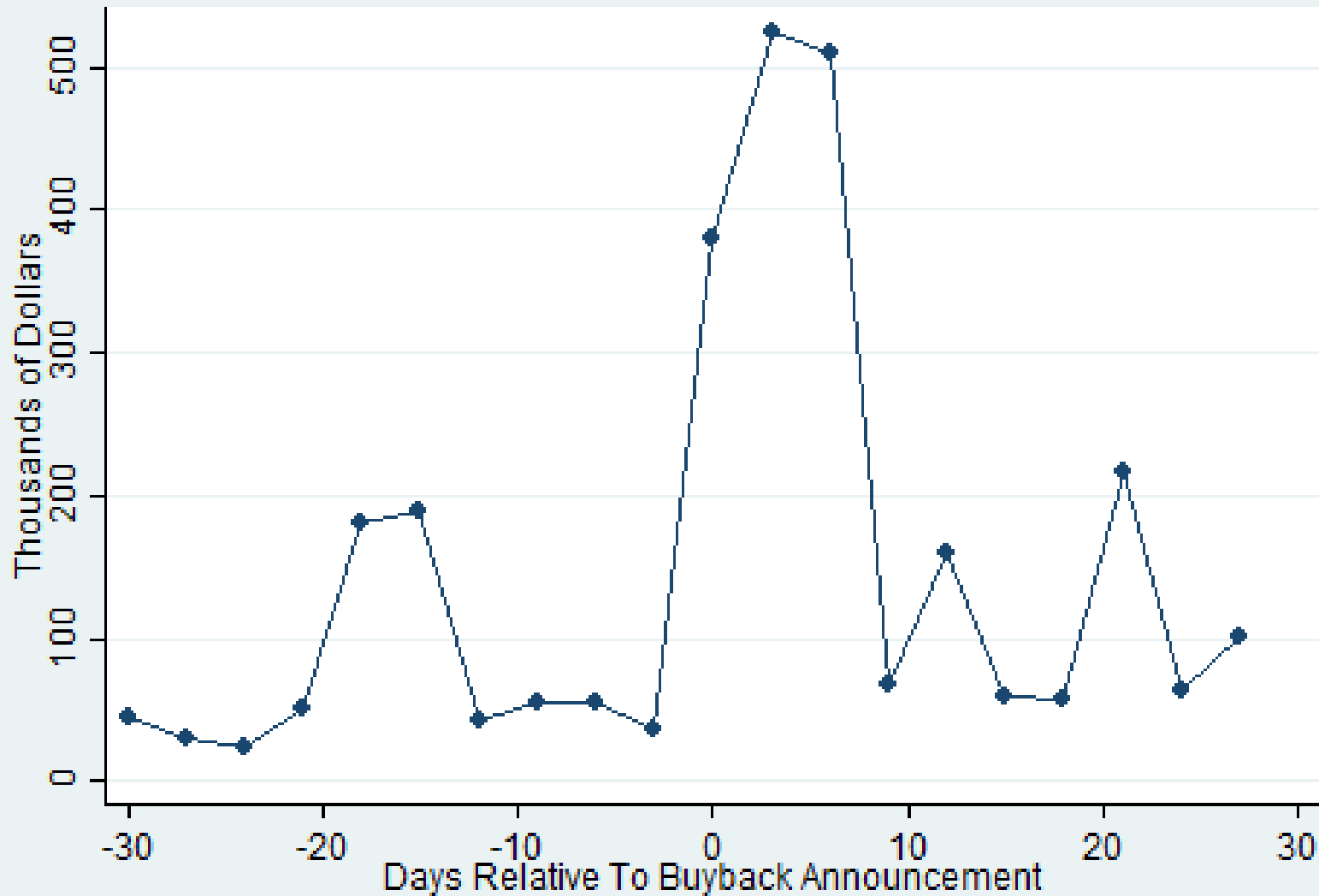




When tax cuts reward corporations with more cash to spend, **only 6% goes to workers and wages**, while 61% goes to shareholders and buybacks.

FIGURE 1 Chart reproduced from the "Rankings on Corporate Tax Reform" [report](#). Latest version updated by Just Capital on March 5, 2018. Source: Just Capital (2018).

Average Total Transaction Value of Insider Shares Sold



Why it his happening?
Executives and other employees compensated in stock are motivated to buy back stock because they are **cashing in on the resulting inflated share prices.**

Example: Buybacks in Retail

RETAIL INDUSTRY TOP BUYBACK SPENDERS AND PERCENT OF PROFIT SPENT ON BUYBACKS, 2015-2017

Rank	Company	Average Number of Workers, Globally	Total Spent on Buybacks, 2015-2017	Total Spent on Dividends, 2015-2017	Total Shareholder Payouts	Average Annual Spending on Buybacks	Average Annual Net Income	Ratio of Total Buyback Spending to Total Profits
1	HOME DEPOT INC	401,333	\$21,880,000,000	\$10,647,000,000	\$32,527,000,000	\$7,293,333,000	\$7,865,333,000	93%
2	WALMART INC	2,266,667	\$20,706,000,000	\$18,634,000,000	\$39,340,000,000	\$6,902,000,000	\$12,733,000,000	54%
3	CVS HEALTH CORP	246,333	\$13,823,000,000	\$5,465,000,000	\$19,288,000,000	\$4,607,667,000	\$5,725,333,000	80%
4	LOWE'S COMPANIES INC	181,667	\$10,712,000,000	\$3,484,000,000	\$14,196,000,000	\$3,570,667,000	\$3,028,000,000	118%
5	TARGET CORP	336,333	\$8,190,000,000	\$4,093,000,000	\$12,283,000,000	\$2,730,000,000	\$3,011,333,000	91%

TABLE 1. STOCK REPURCHASES IN 2018 AND THE POTENTIAL FOR INCREASED WAGES AND STOCK PURCHASE PLANS FOR 1 MILLION EMPLOYEES

Reduction Level	Stock Repurchase Total	Redirected Amount	Increased Wage	Stock Price	Shares Per Employee
100%	\$10 billion	\$10 billion	\$5.66	\$88.05	113.57
75%	\$10 billion	\$7.5 billion	\$4.24	\$88.05	85.18
50%	\$10 billion	\$5 billion	\$2.83	\$88.05	56.79
25%	\$10 billion	\$2.5 billion	\$1.41	\$88.05	28.39

In 2018, Walmart is projected to spend \$10 billion on stock buybacks. If these funds were put towards workers, **the hourly wage for all workers could increase by \$5.66/hour.**