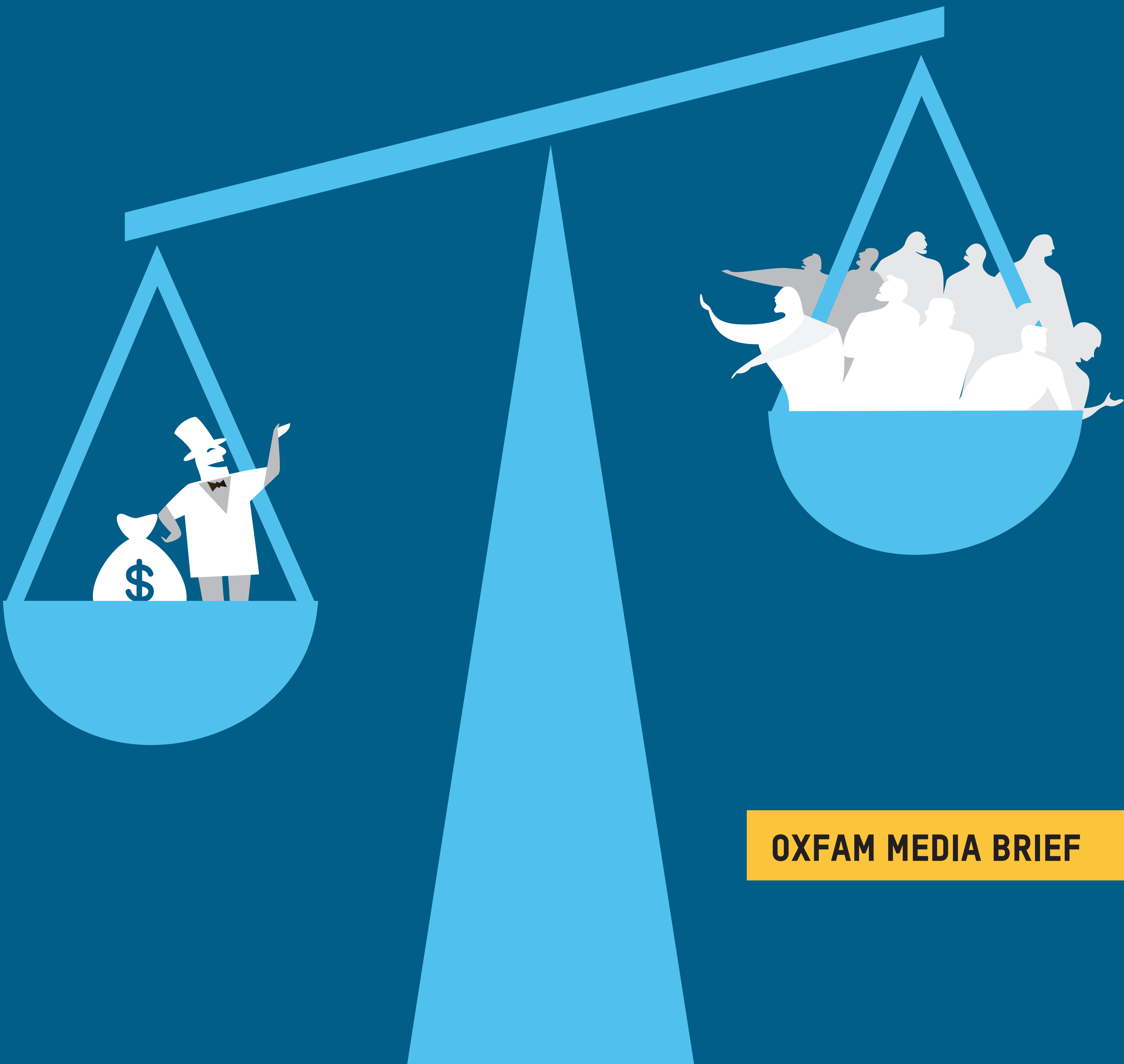
INEQUALITY, MADE IN AMERICA

How Corporate America is Fueling our Inequality Crisis

OXFAM



OXFAM MEDIA BRIEF

Table of Contents

EXECUTIVE SUMMARY

For decades, the largest US corporations have been driving the inequality crisis, actively concentrating power and money in the hands of wealthy CEOs and shareholders while limiting the power of workers, influencing our politics, avoiding taxes, and accelerating climate change.

In an effort to assess the detrimental impacts large corporations can have on global inequality, Oxfam has released new research analyzing the largest 200 public US corporations. Looking across 78 indicators, this analysis finds that these corporations are:

1. Extracting more money for already wealthy shareholders.

The 200 companies paid out more than $1 trillion to wealthy shareholders in 2022 alone.

Today, the 200 largest US corporations are making more money than ever. Combined, their net profits soared to $1.25 trillion in 2022, a 63% increase from combined net profits in 2018. 90% of these profits (more than $1.1 trillion) are paid out to wealthy shareholders—more than any time in the history of these companies. Tech companies in particular have developed massive buyback programs in recent years. Since 2018, Apple alone has spent $70 – 90 billion on stock buybacks each year, while Alphabet, Microsoft, and Oracle each spent more than $100 billion in that timeframe. And this year, Meta announced a $50 billion buyback program, despite laying off tens of thousands of employees in 2023.[1]

Companies in low-wage sectors also do not hesitate to spend massive amounts on stock buybacks. Over the five years Oxfam analyzed (2018 – 2022), the highest spenders in these industries, in absolute terms. Include Lowe's ($39.5 billion), Home Depot ($39.2 billion), Walmart ($35.5 billion), and Starbucks ($21.7 billion). FedEx spent close to $6 billion in buybacks while decreasing its median salary by 22% between 2018 and 2022. Overall, the "Low Wage 100"—the 100 S&P 500 companies with the lowest median worker pay—spent $340 billion on stock buybacks since 2020 alone.[2]

These record payouts were greater than what companies actually earned in profits. For two of the past five years, the total shareholder payout ratio across the 200 companies was over 100%. At the peak of the COVID-19 pandemic in 2020, the shareholder payout ratio was 108%, underscoring that even in the face of declining profits and a global health crisis, shareholder earnings remained top priority. From 2018 to 2022, companies with average payout ratios at or above 100% include household names like Best Buy (117%), Nike (137%), Mondelez (100%), and Merck (110%).

2. Stiffing workers amidst corporate bonanzas.

Only 10 companies (or 5% of our sample) have made public statements in support of paying a living wage. 15% of companies disclose their minimum starting wage, while another 18.5% say they comply with minimum wage regulations but don't disclose their own numbers. Among those that do disclose, the average minimum starting wage is $11.06 an hour, close to half of the estimated national living wage benchmark.[3] Only ten companies (or 5% of our sample) voluntarily disclose information on their gender and racial pay gaps.

Retail and Food & Beverage companies have the lowest median salaries (below $20,000 a year in 2022). Among the 10 companies with the lowest median salaries in 2022 are eight from these two sectors, including Ross Stores ($9,968), The Coca-Cola Company ($12,122), Starbucks ($12,254), Kohls ($12,819), TJX Corporation ($13,884), McDonalds ($14,521), Dollar Tree ($14,702), and Dollar General ($18,352). For some companies with low median salaries, like Walgreens or The Coca-Cola Company, median salaries have actually declined since 2018.

In contrast, CEO pay grew by a nearly one-third since 2018. The CEOs of the 200 companies Oxfam analyzed were paid a combined $4.1 billion in 2022. Tech and finance companies led the pack in terms of absolute pay, with six paying their CEOs over 100 million during at least one year between 2018 and 2022: Alphabet, Amazon, Intel, Oracle, Blackstone, and KKR. [4]

For several companies, the CEO to worker pay ratio is consistently above 1,500:1. Companies with low median salaries are also more likely to have the largest CEO-worker pay ratios. We identified four companies with average ratios above 1,500 across the five years of analysis: Jabil (1,864:1), McDonalds (1,745:1), TJX corporations (1,604:1), and The Coca-Cola Company (1,594:1).

While paying CEOs record compensations, 95% of companies refuse to pay a living wage.

3. Reinforcing gender and racial inequality in the workplace.

DEI washing is the new green washing. While all companies in our sample are talking about DEI, only 44% have published concrete DEI targets. According to the As You Sow Racial Justice Scorecard, the companies in our sample score an average of 27.3% when assessed for their DEI progress disclosure. More specifically, only 11% disclose their promotion rates, 12% their retention rates, and 21% their recruitment rates.[5]

Retail is the most diverse—and most inequitable—sector. While 52% of retail employees are people of color and 56.8% are women, 69.9%% of the sector's executives are white (a 17.9% disparity) and 77.7% are men (a 19.9% disparity). Health care and motor vehicles are two other sectors with very diverse workforces yet high levels of racial disparity.

From a racial and gender justice perspective, Dollar Tree is the least equitable company. While most of its employees are women and people of color, the company is predominantly led by white men. In 2022, 68% of the workforce was female and 55% people of color, compared to the company's leadership, 75% of whom were men and 82% of whom were white.

4. Worsening inequality through tax avoidance.

Only 22% of companies publicly support responsible tax practices, while 82% had a presence in at least one tax haven. However, assessing corporate usage of tax havens is difficult, as companies tend to avoid disclosing country-by-country tax information.[6] Without this kind of reporting, it is impossible to assess the purpose and legitimacy of the trillions of dollars stored by US corporations in low-tax jurisdictions.[7]

Technology and pharma stand out as the two sectors with the lowest effective tax rates. On average, pharma companies paid 11.6% in taxes in 2022 (11.8% in 2021), and those with the lowest effective tax rates across the five years include AbbVie (5.9%) and Pfizer (6.8%).

The technology sector pays one of the lowest tax rates and spends the most on lobbying.

Despite the massive profits of tech companies, the tech sector is also marked by chronically low tax payments, with an average effective tax rate of 14.9% for 2022 (10.3% for 2021). IBM, Intel, and Nvidia all reported profits in 2022, yet paid zero income taxes and instead all received tax credits (IBM: $626 million; Intel: $249 million, Nvidia: $187 million).

5. Deepening the political divide.

Companies spent $746 million on lobbying in 2022 (an average of $4.1 million per company).[8] Among those we analyzed, technology companies spent the most on lobbying ($114 million), followed by health care and pharmaceuticals. These three sectors also have seen the highest growth in lobbying expenditures compared to a decade ago. The sectors that spend the highest proportion of their revenue on lobbying include defense, utilities, and pharmaceuticals—all of which are dependent on government support (e.g. contracts, regulations) for their commercial success.

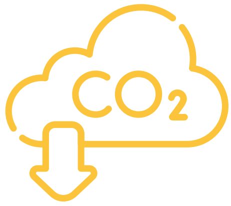
The company with the highest lobbying expenditures in 2022 was Amazon ($21.4 million) followed by Meta and three defense companies (Raytheon, Boeing, Lockheed Martin).

Berkshire Hathaway stands out for its weak political accountability, despite spending close to $6 million in lobbying in 2021. The company scored a mere 2% on the CPA-Zicklin Index, which measures companies' political accountability across three key dimensions (disclosures, policies, and oversight). Walmart and Meta are the two largest companies with CPA-Zicklin scores under 60%.

Beyond money, corporate capture happens behind closed doors and through opaque channels. When it comes to disclosing payments (recipients and amounts) made by trade associations or other tax-exempt organizations of which a company is a member or donor, the companies we analyzed score an average of only 16% on CPA-Zicklin. Not one of the companies in our sample has publicly stated that all its advocacy positions are aligned with its sustainability goals.

6. Putting profits over planet

Very few corporations have robust net-zero targets. Fortune 500 companies represent more than 27% of worldwide emissions,[9] yet setting robust emission reduction targets remains the exception, not the norm. Of the 200 companies in our sample, 23.5% of companies participate in the Science-based Target initiative (SBTi). Yet,only 16.5% of companies have made net-zero commitments and only 6.5% of companies have set net-zero target in accordance with SBTi requirements.



Among the companies that disclosed their emissions between 2020 and 2021, only 40% actually reduced their emissions.

Corporate emissions are increasing, not decreasing. Our analysis of existing disclosures found a sobering picture of corporate America's ability and willingness to reduce emissions. Among the companies that disclosed their emissions between 2020 and 2021, only 40% actually reduced their emissions. In fact, average emissions increased by 4%. While for some sectors this increase can be explained by the lower levels of operation in 2020 due to the COVID-19 pandemic (e.g. transportation, which saw an 18% increase), the increase in emissions in other sectors (e.g. food and beverage, which saw a 10.9% average increase) cannot.

Based on our findings, Oxfam identified a three-pronged approach to next steps:

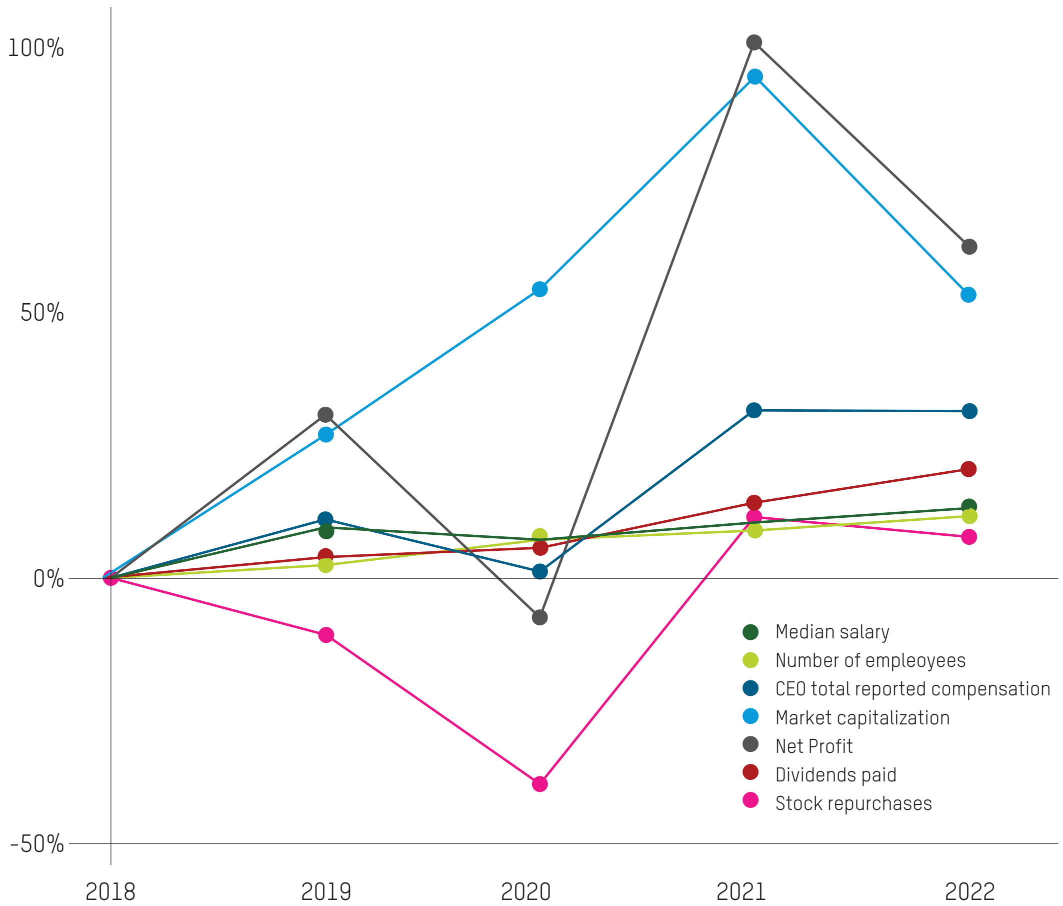
1. **Create greater transparency and a stronger evidence base of corporations' inequality impacts**. In order to elevate corporate drivers of inequality to the desks of key decision makers, we need to build a stronger evidence base that helps investment and policy leaders assess companies' inequality impacts.
2. **Advance a corporate reform agenda to curb corporations' inequality impacts**. Because many companies are unlikely to voluntarily and unilaterally address many of the issues most central to inequality, policy makers and investors need to establish and enforce stricter regulations to help improve corporate performance.
3. **Promote alternative business models and corporate forms.** While stronger regulations can provide guardrails for corporate behavior, we need to also promote alternative business models and corporate forms that are better able to prioritize the interests of workers, communities, and the environment.

1. EXTRACTING MORE MONEY FOR WEALTHY SHAREHOLDERS

Despite the impacts of recent global crises, including COVID-19 and inflation, the 200 largest US corporations are making more money today than ever before. In fact, corporate profits have driven inflation,[10] hurting especially vulnerable Americans as the prices of basic necessities skyrocket.[11] Today, many of largest US corporations are actually bigger and more profitable than they were before the pandemic. Combined, the net profits of the 200 largest companies soared to $1.25 trillion in 2022, a 63% increase from combined net profits in 2018.

Maximizing returns for CEOs and shareholders is the number one priority in corporate America. This comes at the expense of a company's other stakeholders—including its employees—contributing to the growth, rather than mitigation, of economic inequality. When we analyze the financial data of the 200 largest US companies between 2018 and 2022, we see that increases in median salaries and employment numbers have been vastly outpaced by soaring profits, market value, and CEO pay.

Figure 1: Relative growth of profits, shareholder payouts, and worker-related expenses (2018 – 2022)



Shareholder payouts are at an all-time high after rebounding significantly in the post-COVID economy. Following a decline in absolute terms in 2020, stock buybacks rose by 81% in 2021 and have now hit a record $681 billion for the 200 companies in our sample. While their decline and rebound were less pronounced, dividends have followed a similar pattern, and in total, the corporations in our sample paid out more than $1.1 trillion to shareholders in 2022 ($448 billion in dividends and $681 billion in buybacks).[12]

Among all industries in our sample, the tech sector saw the highest payouts in absolute terms. Apple's buyback practices stand out in particular, with the tech giant spending between $70 and $90 billion on buybacks every year since 2018. Fellow industry titans Alphabet, Microsoft, and Oracle each spent more than $100 billion in buybacks since 2018, while Meta announced a $50 billion buyback program in early 2024 after a year of mass layoffs.[13]

Oil companies have also spent heavily on stock buybacks. In 2022, ExxonMobil and Chevron spent $15 billion and $11 billion respectively on buybacks, dollars that could have otherwise been invested in the Just Energy Transition.

In low-wage sectors like retail, companies have also not hesitated to spend massive amounts on stock buybacks. Across the five years of Oxfam's analysis, the highest spenders in these industries, in absolute terms, include Lowe's ($39.5 billion), Home Depot ($39.2 billion), Walmart ($35.5 billion), and Starbucks ($21.7 billion). FedEx spent close to $6 billion in buybacks while decreasing its median salary by 22% between 2018 and 2022. Overall, the "Low Wage 100"—the 100 S&P 500 companies with the lowest median worker pay—spent $340 billion on stock buybacks since 2020 alone.[14]

These record payouts rose beyond what companies actually earned in profits. For two of the past five years, the total shareholder payout ratio across the 200 companies was over 100%. At the peak of the COVID-19 pandemic in 2020, the shareholder payout ratio was 108%, underscoring that even in the face of declining profits and a global health crisis, shareholder earnings remained top priority. From 2018 to 2022, companies with average payout ratios at or above 100% include household names like Best Buy (117%), Nike (137%), Mondelez (100%), and Merck (110%).

Over the last decade, the market value of the largest US corporations has skyrocketed. Between 2018 and 2021, the market value of the 200 companies we analyzed almost doubled by $15 trillion, and after a slight decrease in 2022, the share prices of many of the largest US corporations reached record highs in 2023. Over the past 10 years, the value of S&P 500 companies has nearly quadrupled, from $10.3 trillion in September of 2012 to $40 trillion in December 2023.[15] For the first time in history, some companies even crossed the $1 trillion valuation line (Apple, Microsoft, Alphabet, Amazon).[16]

For two of the past five years, the total shareholder payout ratio across the 200 companies was over 100%.

Low-wage earners are largely excluded from corporate ownership stakes. Share ownership in the US is highly concentrated, with the richest 10% of Americans owning 84% of all U.S. stocks and the bottom 50% owning just 1%. The top 1% of income earners have been capturing an increasing proportion of corporate shares (from 41% in 2003 to 53.6% in 2023).[17]

Shareholder payouts fuel racial inequality. Close to 90% of corporate shares are in the hands of white Americans, allowing them to benefit from shareholder primacy far beyond Black and Hispanic Americans, who own less than a combined 2% of shares.[18]

Corporate profits and power are increasingly concentrated at the top. The 200 largest companies (i.e. our sample) account for 85% of the Fortune 500's revenues and 70% of profits,[19] and their dominance is becoming more and more prominent. Today, the top 1% of US corporations own 97% of corporate assets in the US,[20] while the top 10% of US corporations earn 95% of all corporate profits—the highest level since the early 1970s.[21] In other words, a smaller number of larger companies in various industries are accruing an ever-greater share of profits and market control.

Box 1: Size matters: the Amazon-Walmart example

Amazon and Walmart are the largest US companies measured by both revenue and number of employees. These two companies alone earned a combined $1.1 trillion in revenues in 2022 and together would be the 17th largest country in the world.[22] They employ a combined 3.2 million workers in the US, meaning that every 50th US worker is employed either by Amazon or Walmart.

Their dominance in the US economy makes these two companies both symbols of and contributors to national inequality trends. With most jobs offered by these two companies paying less than $20 per hour (87% of jobs for Amazon and 91% for Walmart), the fruits of their economic success are not reaching their average worker.[23] Median salaries for both companies ($27,136 for Walmart[24] and $34,195[25] for Amazon in 2022) are within a stone's throw of the US poverty line for a family of four.[26]

In contrast, the two companies' main owners (Jeff Bezos for Amazon and the Walton family for Walmart) are multi-billionaires who have managed to significantly increase their wealth over the past few years. The fortune of the Walton family has increased by $137 billion since 2016 to $267 billion in early 2024. Jeff Bezos wealth has increased by $145 billion during the same period to $190.2 billion in early 2024.[27]

The owners of Amazon and Walmart have benefitted from the companies' generous shareholder payouts. In 2022, both companies combined spent $15 billion in stock buybacks. Walmart has paid out 121% of its net profits to its shareholders over the past five years ($68.3 billion in dividends and stock buybacks combined).

2. STIFFING WORKERS AMIDST CORPORATE BONANZAS

Paying a living wage is critical to tackling rising inequality, especially in the context of the current cost of living crisis.[28] However, the largest US corporations have not demonstrated a concerted effort to address this issue, with only 10 companies (or 5% of our sample) making public statements in support of paying a living wage. However, there are two key caveats to even this low number. First, none of the 10 companies disclose how they define a living wage (i.e. a methodology or benchmark). Second, none of these companies are from low-wage sectors, such as retail or restaurants, indicating that paying a living wage remains a blind spot for companies whose workers need it most.

On average, companies that disclosed their starting wage paid $11.06 an hour, which represents close to a 50% living wage gap.[29] However, this number may not be broadly generalizable, as only 15% of companies disclose their minimum starting wage and another 18.5% declare they comply with minimum wage regulations. While some companies have recently announced raises to their average starting wage, these announcements have limited utility without knowing the company's minimum (not average) starting wage, hours worked, and how current wage levels relate to a company's living wage benchmark.

Among the 10 companies with the lowest median salaries in 2022 are eight from retail and food & beverage.

Retail and food & beverage companies disclose the lowest median salaries (below $20,000 a year in 2022). Among the 10 companies with the lowest median salaries in 2022 are eight from these two sectors, including Ross ($9,968), The Coca-Cola Company ($12,122), Starbucks ($12,254), Kohls ($12,819), TJX Corporation ($13,884), McDonalds ($14,521), Dollar Tree ($14,702), and Dollar General ($18,352). Manufacturers Jabil and Lear round out this group of 10, with median salaries below $10,000 a year. For some companies with low median salaries—including Walgreens, and The Coca-Cola Company —median salaries have actually declined since 2018.

Diminishing worker power is a major contributor to stagnant wages and poor working conditions. The disappearance of union jobs is one key driver behind the wage gap that has widened between high- and low-wage earners in the US since the 1980s.[30] The majority of companies in our sample (55%) were found to have engaged in anti-union behavior, even if some of these violations are from several years ago.[31] And only 10 companies report detailed data on their US employees being covered by collective bargaining agreements.

In contrast, CEO pay grew by a nearly a third since 2018. Following a brief dip during the first year of COVID-19 pandemic, CEO pay jumped significantly in both 2021 and 2022. Among the 186 companies for which we had data, we found that CEO pay grew by 31% between 2018 and 2022. The CEOs of these companies were paid a combined $4.1

billion in 2022. Tech and finance companies led the pack in terms of absolute pay, with six companies paying their CEOs over $100 million during at least one year between 2018 and 2022: Alphabet, Amazon, Intel, Oracle, Blackstone, and KKR.

Box 2: Excessive CEO pay as inequality driver: the case of Tesla

In 2018, Tesla founder and CEO Elon Musk negotiated a highly unique and unprecedented compensation package, not only in its size but also in its structure. The multi-billion dollar pay package was composed entirely of stock incentives and was contingent on increasing the company's market value. It was by far the largest potential compensation package ever recorded.[32]

Musk has received a payout to close to $55 billion to date, the highest CEO payout in US history, making Musk the richest person on Earth.[33] For workers earning the current federal minimum wage of $7.25/hour, it would take 3.6 million years to earn the same.[34]

Tesla's decision to base CEO pay entirely on stock incentives has had ripple effects across the corporate sector, encouraging other companies to restructure their CEO compensation as well.[35] However, following a law suit alleging excessively high compensation, a judge recently called Musk's CEO package "unfathomable" and ordered that it be rescinded.[36]

Companies with low median salaries also are more likely to have the highest CEO-worker pay ratios. Pay ratios can shift significantly year over year due to the fluctuation of CEO pay (e.g. when a CEO is awarded a new package of stock options). Looking at companies with consistently high CEO-worker pay ratios we identified four with average ratios above 1500:1 across five years of analysis. They include Jabil (1864:1), McDonalds (1745:1), TJX corporations (1604:1), and The Coca-Cola Company (1594:1).

Increasingly, CEOs and shareholders are lining each other's pockets. The more a CEO's pay package consists of stock incentives, the more likely that CEO is to make decisions in the interest of shareholders. The rise of stock-based compensation accounts for a large part of CEO pay growth over the last few decades.[37] Our analysis finds that stock incentives comprise an increasing proportion of CEO compensation packages. On average, stock incentives currently make up the majority of CEO pay (63%).

3. REINFORCING RACIAL AND GENDER INEQUITIES IN THE WORKPLACE

In the US, economic inequality is closely intertwined with racial and gender inequality. The #MeToo and Black Lives Matter movements have sparked renewed attention and political momentum in support of racial justice and gender equity. While many corporations have signaled verbal support for these movements, the authenticity and depth of their support has been called into question, given the persistent racial and gender inequalities within the corporate sector, where women and people of color remain overrepresented in low-paying jobs and underrepresented in leadership positions.[38]

In response to growing public pressure to address gender and racial inequities within their corporate hierarchies, companies have become increasingly focused on diversity, equity, and inclusion (DEI). But a lack of standards, consistency, and accountability,[39] along with a lack of long-term commitments and tangible results, can render the focus on these issues meaningless.[40]

DEI washing is the new green washing. While all companies in our sample are talking about DEI, only 44% have published concrete DEI targets. According to the As You Sow Racial Justice Scorecard, the companies in our sample score an average of 27.3% when assessed for their DEI progress disclosure. More specifically, only 11% of companies disclose their promotion rates, 12% their retention rates, and 21% their recruitment rates.[41]

Only 11% of companies disclose their promotion rates, 12% their retention rates, and 21% their recruitment rates

The focus on DEI has led to greater transparency on workforce demographic data, which is crucial to assessing racial and gender equity trends within a corporation. Even a few years ago, companies tended to treat their diversity data as trade secrets[42] but today, about 80% of the companies we analyzed disclose data on their workforce demographics (79.8% on gender, 82.2% on race).[43]

Across the largest US companies and their sectors, the extent of racial and gender disparities remains staggering. When assessing workplace demographic disparities for a company's lowest and highest corporate tiers, we found a bias towards white men in leadership positions across companies and sectors. When comparing to the overall firm workforce, managers are 6.7 percentage points more likely to be men and 9.3 percentage points more likely to be white. While these skewed characteristics hold across the vast majority of companies, they are likely an underestimation of racial and gender disparities across corporate hierarchies due to the fact that corporate disclosures are inconsistent and not sufficiently detailed.

Retail is the most diverse—and most inequitable—sector. While 52% of retail employees are people of color and 56.8% are women, 69.9%%

of the sector's executive are white (a 17.9% disparity) and 77.7% are men (a 19.9% disparity). Health care and motor vehicles are two other sectors with very diverse workforces, yet high levels of racial disparity.

Box 3: Dollar Tree: the most inequitable company in America?

From a racial and gender justice perspective, Dollar Tree is the least equitable company. While most of its employees are women and people of color, the company is predominantly led by white men. In 2022, 68% of the workforce was female and 55% people of color, compared to the company's leadership, 75% of whom were men and 82% of whom were white.

The company also stands out for the growing gap between its CEO's and workers' salaries. In 2022, Dollar Tree recorded a net profit, almost doubling its profits since 2019. During the same time, the CEO's pay has increased by 32% while the company's median salary has declined by 4% to a mere $14,702 annually. As a result, its CEO-worker pay ratio has jumped from 690:1 to 950:1. Instead of raising wages and providing decent jobs, the company spent more than $2.1 billion on stock buybacks since 2019 and has the most part-time workers (78% of its workforce) among all 200 companies in our sample at the time of data collection.[44]

Dollar Tree's poor performance is further amplified by its business model, which creates and exacerbates food deserts, especially in communities of color, maintains unsafe working environments, and uses the company's significant market power to pressure suppliers and competitors.[45]

In the workplace, racial and gender inequality are interlinked. The sectors with higher proportions of male employees also tend to be the whitest (e.g. metals, utilities, industrial machinery, defense) while those with higher proportions of women employees tend to be the most diverse (e.g. retail, healthcare). The technology sector is an outlier, with a very diverse workforce that is also dominated by men.

Skewed workforce demographics have an impact on pay equity, as women and people of color earn less on average due to their overrepresentation in lower-paying jobs. However, our analysis found that, while more and more companies are analyzing their pay gaps, few actually disclose the results of their analyses.[46] Only ten companies (or 5% of our sample) voluntarily disclose pay equity information in a readily available way.[47]

4. WORSENING INEQUALITY THROUGH TAX AVOIDANCE

Corporations are driving inequality by avoiding taxes. Although corporate tax payments do not automatically translate to lower inequality), they are a key funding source for essential public services and social protection programs that benefit low income groups.[48] In contrast, where corporate tax minimization results in profits that are used to reward corporate executives and wealthy shareholders, it can further contribute to inequality.

In 2022, US corporations shifted an estimated $369 billion in profits to tax havens. [49] By implementing aggressive tax strategies and taking advantage of the opacity of their own organizational structures and global financial flows, corporations have managed to massively reduce their tax burden over the past several decades. While these tax strategies may reward corporate management and shareholders in the short term, they can have adverse consequences for government and society. Corporate tax avoidance sustains massive wealth disparities, making it one of the most significant corporate practices that enable and contribute to inequality.[50]

Only 22% of companies published a statement in support of responsible tax practices.

Scrutiny of corporate tax practices is increasing. New standards are emerging to help assess corporate tax practices beyond legal compliance. The development of the Responsible Tax principles[51] by the B Team and the adoption of a new tax standard by the Global Reporting Initiative[52] are two indications of this trend.

Companies are slow in adopting responsible tax standards, with only 22% of companies publishing a statement in support of responsible tax practices. A closer look reveals that the contents and specificity of these policy statements greatly vary in terms of specificity, scope and ambition. Very few contain provisions for the most prevalent assessment categories, including internal structures and mechanisms for the accountability and governance of tax planning.

Not one company discloses sufficient information to assess tax avoidance. Public country-by-country reporting (CbCr) of tax-related information is a critical lever for understanding a company's tax practices and mitigating corporate tax avoidance. [53] While multinational corporations are required to disclose some CbCr information to US tax authorities, not a single company in our sample meets this standard for disclosure.

82% of companies had a presence in at least one tax haven. However, because no companies disclose country-by-country information, it is difficult to meaningfully assess their usage of tax havens.[54] Without country-by-country reporting, it is impossible to assess the purpose and legitimacy of the trillions of dollars stored by US corporations in low-tax jurisdictions.[55]

Corporations' effective tax rate continues to decline. Following the 2017 decrease in the statutory US corporate tax rate from 35% to 21% under the Trump administration, the amount of taxes paid by US corporations decreased immediately.[56] The effective tax rate (the rate that corporations actually pay) is often much lower than the statutory rate. Our analysis looked at corporate tax payments between 2018 and 2022 and found that effective tax rates differed significantly across sectors.

Technology and pharma stand out as the two sectors with the lowest effective tax rates. On average, pharma companies paid 11.6% in taxes in 2022 (11.8% in 2021), with the lowest effective tax rates across the five years paid by Pfizer (6.8%) and AbbVie (5.9%).

Chronically low tax payments are also characteristic of tech companies, especially in light of the sector's significant profits. In 2022, the tech sector's average effective tax rate was 14.9% for 2022 (10.3% for 2021). That year, IBM, Intel, and Nvidia all reported profits yet paid zero income taxes—instead, all three received a tax credit (IBM: $626 million; Intel: $249 million, Nvidia: $187 million).

5. DEEPENING THE POLITICAL DIVIDE

Trust in political institutions is approaching an all-time low and US politics are increasingly polarized.[57] Due to their lobbying power and political influence, corporations are major contributors to these trends. Following the Supreme Court's Citizens United decision, which removed constraints on the political spending for US corporations, lobbying expenditures by corporations have been on the rise, reaching a record $4.1 billion in 2022.[58]

Corporate capture fuels economic inequality, because corporations are able to shape the policy environment in a way that further reinforces their economic privileges.[59] While corporations have a substantial influence on public policy outcomes, policies supported by low-income groups are much less likely to receive public policy support.[60]

Companies spent $746 million on lobbying in 2022 (an average of $4.1 million each).[61] Technology companies spent the most on lobbying ($114 million), followed by health care and pharmaceuticals. Over the past decade, these three sectors have seen the highest growth in lobbying expenditures. The sectors spending the highest proportion of their revenue on lobbying are defense, utilities, and pharmaceuticals—all of which are dependent on government support (e.g. contracts, regulations) for their commercial success. The company with the highest lobbying expenditures in 2022 was Amazon ($21.4 million) followed by Meta and three defense companies (Raytheon, Boeing, Lockheed Martin).

Technology companies spent the most on lobbying ($114 million), followed by health care and pharmaceuticals.

Beyond money, corporate capture happens behind closed doors and through opaque channels. A large part of a company's political influence is indirect, funneled through third-party groups, trade associations, or hidden within charitable giving.[62] When it comes to disclosing payments (recipients and amounts) made by trade associations or other tax-exempt organizations of which a company is a member or donor, the companies we analyzed score an average of only 16% on CPA-Zicklin. Similarly, they score a 23% for having board oversight over political spending (i.e. have a specified board committee that approves political expenditures from corporate funds). [63]

Berkshire Hathaway stands out for its very low score on political accountability (2%), despite spending close to $6 million in lobbying in 2021. Walmart and Meta are the two largest companies with CPA-Zicklin scores under 60%.

Corporate lobbying doesn't follow corporate talk. Companies' political engagement is often siloed from their broader sustainability ambitions, with trade associations doing the "dirty work" of political advocacy.[64] While more and more companies are making their policy positions available on their websites, specificity is often lacking and it is unclear how the positions were determined or governed. Importantly, none of the companies in our sample has publicly stated that its advocacy positions are aligned with its sustainability goals.

None of the companies in our sample are fully aligning their political activities with their sustainability goals.

6. PUTTING PROFITS OVER PLANET

Climate change is a major contributor to inequality and corporations are major contributors to climate change.[65] Through their emissions and other environmental impacts, corporations are significant contributors to climate change-driven inequality. It is predominantly large corporations that are responsible for global emissions, with the carbon footprint of Fortune 500 companies representing more than 27% of worldwide emissions.[66]

Climate change is also exacerbating gender and racial inequality.[67] Across societies, women and girls—who comprise 70% of those living below the poverty line—are more vulnerable to climate shocks,[68] and because people of color are also more likely to live in poverty, they generally have fewer resources to protect themselves or respond to climate-induced disasters.[69]

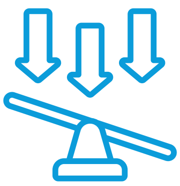
Very few corporations have set robust net-zero targets. While most large corporations have publicly acknowledged the challenges of climate change, many have yet to set sufficient emissions targets. While 23.5% of companies participate in the Science-Based Target initiative (SBTi), only 16.5% of companies have made a net-zero commitment and only 6.5% of companies have set net-zero targets in accordance with SBTi requirements. This finding aligns with the broader landscape of SBTi-validated commitments, which are currently on track to decrease emissions by only 2% by 2030.[70]

Corporate disclosure of emissions data is improving. This includes Scope 3 emissions, which account for over three-quarters of corporate emissions overall.[71] We found the majority of companies (84%) disclose emissions data (including Scope 3). However, while Scope 1 and 2 emissions disclosures are more standardized and externally verified, companies have significant leeway in defining and calculating their Scope 3 emissions allowing for potential greenwashing.

Corporate emissions are increasing, not decreasing. Our analysis of existing disclosures found a sobering picture of companies' ability to reduce their emissions. Only 40% of companies disclosing their emissions between 2020 and 2021 actually reduced them. In fact, average emissions increased by 4%. While for some sectors this increase can be explained by the lower levels of operation in 2020 due to COVID-19 (e.g. transportation, which saw an 18% increase), the increase in emissions in other sectors (e.g. food and beverage, with a 10.9% increase) cannot.

Only 16 (or 8% of) companies have disclosed a Just Energy Transition plan or strategy. Because the shift from fossil fuels to renewable energy is the climate imperative of our time, this represents a concerning gap. Achieving a low carbon future will come with drastic economic and social changes, both positive and negative, including impacts that disproportionately hurt low-income and other vulnerable groups (e.g. job losses). Corporations need to move to a low carbon economy in a way that is fair and inclusive, creates decent work opportunities, and leaves no one behind.[72]

THE WAY FORWARD



Many of America's largest companies are exacerbating economic and social inequality through their current practices.

Based on Oxfam's initial analysis, it's clear that corporate inequality impacts need urgent attention. Many of America's largest companies are exacerbating economic and social inequality through their current practices, and few are taking action to improve long-term outcomes for their stakeholders, instead focusing on short-term reward to shareholders.

While this initial assessment may seem to offer bleak results, this moment represents an important opportunity to shift course and advance a more equitable future. Investors and policy makers alike are well-positioned to usher in a new, stakeholder-oriented paradigm, where those at all rungs of the economic hierarchy reap the benefits of the market.

This analysis represents a first step toward building this paradigm, and we've identified three next steps that can help pave the way.

1. Create greater transparency and a stronger evidence base

This is a critical moment to elevate inequality as a systemic risk issue driven by large corporations on the horizon of investors and policy makers. A critical pre-condition is to build a stronger evidence base to allow the assessments of companies' inequality performance (individually or in the aggregate).

- **Develop stronger disclosure requirements for companies**. Our pilot assessment included several topics and indicators where we didn't have sufficient public data to draw meaningful conclusions. Either the data was not available, or companies were reporting information in a way that lacked confidence in its accuracy. Critical assessment areas with major disclosure gaps include:
    - Wage practices (starting wage, living wage)
    - Pay equity (adjusted, unadjusted pay gaps)
    - Non-standard work arrangements (use of part-time, temporal and contract workers)
    - Unionization rates (US and global)
    - Tax practices (country-by-country reporting)
    - Political engagement (political positions, activities, use of trade associations)
    - Just Transition (plan, targets, engagements)

- **Ensure the development of strong standards** to assess companies' inequality performance. As different standard-setting initiatives on this topic are emerging, we need to ensure they adopt a holistic approach, assess performance (and not just policy), and don't shy away from thorny issues.

- **Expose the link between corporate practice and inequality.** Our pilot assessment represents a first step in developing a stronger evidence base. But there is a need for more research and evidence gathering including more targeted sector-specific analyses and issue-specific deep dives.

A critical pre-condition is to build a stronger evidence base to allow the assessments of companies' inequality performance.

2. Advance a corporate reform agenda

Assessing companies' inequality contributions are only a means to improving them. Companies are unlikely to voluntarily and unilaterally address most critical issues due to the potential impact on their bottom line. This is why policy makers and investors need to step up and establish and enforce stricter rules on corporations in order to improve their inequality footprint. Critical policy areas include:

Corporate governance:

- Redefine corporate purpose (at the board level) to include a company's stakeholders, including workers, consumers, affected communities as well as shareholders.
- Rewrite the fiduciary duties of executives and board beyond shareholder returns to include a general public interest.
- Ensure CEO compensation is tied to long-term value creation and specific and ambitious ESG performance metrics, not only to short-term financial objectives.
- Set a maximum worker-to-CEO median compensation ratio of 20-to-1.

Shareholder payouts

- Cap dividends paid out to shareholders. Dividends should not be paid until a corporation is paying a living wage to all workers and is investing enough in the low-carbon transition.
- Prohibit open-market share buybacks as they are primarily used by companies to boost their stock market value.

Companies are unlikely to voluntarily and unilaterally address most critical issues due to the potential impact on their bottom line.

Decent work

- Conduct a living wage assessment to determine whether all employees earn enough to cover the cost of local basic monthly expenses, including housing, food, health care, and transportation.
- Pay living wages, provide safe and healthy working conditions, and work with trade unions to increase the negotiating power of workers.
- Implement human rights due diligence processes to ensure that workers' rights to freedom of association and collective bargaining are respected.
- Provide paid leave and ensure women have equal opportunities for advancement. Make benefits accessible to all employees including non-fulltime ones.
- Set a maximum worker-to-CEO median compensation ratio of 20-to-1.

Diversity, equity and inclusion

- Collect and publicly share racial equity data on compensation (e.g. EEO-1 Component 1 and Component 2 type data) for all personnel, leadership, and board members on an annual basis.
- Conduct a pay equity audit across all positions and levels by race, ethnicity, and gender (adjusted and unadjusted pay gaps); identify and correct any pay gaps; and release the results publicly.
- Set specific targets to hire, retain, and promote a diverse workforce, leadership, and board that mirrors the diversity of the nation; publicly disclose diversity and equity targets and progress figures.
- Adopt advancement practices that serve employees of color at all levels of the company, with a particular focus on frontline workers

of color, who are harmed by the company's business model.
- Update ESG and accounting metrics to ensure that they actively drive racial equity.

Supply chain

- Eliminate commercial and trading practices that place undue levels of risk and pressure to cut costs on suppliers and vulnerable stakeholders in those supply chains.
- Exercise preferential sourcing from suppliers that guarantee a living wage and are unionized.
- Work with stakeholders to ensure living wages/incomes for people living in poverty in supply chains.

Political activities

- Map companies' political footprint and assess the impact of their political engagement.
- Identify whether a company's policy priorities and positions align with its sustainability goals and reflect its responsibilities to society.
- Measure and take action on misalignment with the political activities of trade associations.
- Identify ways to increase access for marginalized groups to the policy making process.

Tax

- Work towards a more progressive and equitable tax system.
- Ensure large corporations pay their fair share of taxes where economic activity takes place, including through a corporate global minimum tax, applied at a country-by country level.

Climate change

- Invest in a low-carbon transition.
- Commit to transformational action to cut their greenhouse gas emission in line with the Paris Agreement and the 1.5°C temperature goal.
- Develop, publish and implement a Just Energy Transition plan outlining how the company will manage the socio-economic impacts of its energy transition.

3. Promote alternative business models and corporate forms

Corporations' inequality performance is closely tied to their current business models. While stronger regulations can provide guardrails for corporate behavior, we need to also promote alternative business models and corporate forms that are better able to prioritize the

We need to promote alternative business models and corporate forms that are better able to prioritize the interests of workers, communities, and the environment.

interests of workers, communities, and the environment. This includes the promotion of employee-owned companies, worker cooperatives, benefit corporations, and other viable alternatives. Critical steps towards the promotion of alternative business models and corporate forms include:

Developing a stronger evidence base for how alternative business models and corporate forms can tackle inequality, including which alternatives have the most potential for equitable impact.

Promoting equitable business structures that share value with employees or workers in the supply chain, such as worker cooperatives, or benefit corporations.

Incentivizing companies to democratize their ownership through mechanisms like meaningful and broad-based profit sharing and employee ownership plans.

Supporting the solidarity economy by incentivizing the creation and expansion of cooperatives and other types of stakeholder-oriented enterprises.

ENDNOTES

1 Mike Isaac (1 February 2024). *Meta Reports Profits More Than Tripled and Issues Its First Dividend.* The New York Times. https://www.nytimes.com/2024/02/01/technology/meta-profit-report.html

2 Institute for Policy Studies (2023). Executive Excess 2023. https://ips-dc.org/wp-content/uploads/2023/08/EE23-FINAL-aug-23-23.pdf

3 Given the geographic fluctuation of living income benchmarks across the US, company-specific living wage benchmarks are necessary to assess a company's living wage practices. Using national-level benchmarks risk blurring significant cost of living differences across the US. In the absence of public company-specific benchmarks, we set the benchmark at $20 an hour (with consideration of retirement, childcare, and healthcare). This is based on the population adjusted mean (provided by Living Wage for Us). Please note, $20 an hour does underestimate the expense of some areas (e.g. major cities like NYC, Boston, and San Francisco)

4 For KKR, the compensation refers to the company's two Executive Chairmen who actively manage the company and each received a compensation of more than $100 million in 2022. Also, the list excludes Tesla' $56 billion pay package to its CEO Elon Musk, which was voided by a judge in Jan 2024: See: https://www.reuters.com/legal/judge-rules-favor-plaintiffs-challenging-musks-tesla-pay-package-2024-01-30/

5 Data retrieved from As You Sow Racial Justice Scorecard: https://www.asyousow.org/our-work/social-justice/racial-justice/data-visualization

6 We compared companies' reports of significant offshore subsidiaries with a list of the most prominent tax havens as defined by Oxfam and tax justice allies.

7 Kevin Kelleher (5 August 2022). U.S. companies are hoarding more and more money overseas. Fortune. https://fortune.com/2022/08/05/us-companies-cash-overseas-tax-incentives/

8 Based on 182 companies for which we could find data.

9 https://www.recapturecarbon.com/fortune-500-emissions-report-2019

10 Liz Pancotti and Lindsay Owens (2024). Inflation Revelation: How Outsized Corporate Profits Drive Rising Costs. Groundwork Collaborative. https://groundworkcollaborative.org/news/new-groundwork-report-finds-corporate-profits-driving-more-than-half-of-inflation/

11 Jacob Orchard (13 January 2022). Inflation inequality. Poorest Americans are hit hardest by soaring prices on necessities. The Conversation. https://theconversation.com/inflation-inequality-poorest-americans-are-hit-hardest-by-soaring-prices-on-necessities-174853

12 This $1.1 trillion figure does not capture the gains made by shareholders due to higher stock prices of companies. They merely account for the corporate cash spent on rewarding shareholders (although share repurchases contribute to higher stock price).

13 Mike Isaac (1 February 2024). *Meta Reports Profits More Than Tripled and Issues Its First Dividend.* The New York Times. https://www.nytimes.com/2024/02/01/technology/meta-profit-report.html

14 Institute for Policy Studies (2023). Executive Excess 2023. https://ips-dc.org/wp-content/uploads/2023/08/EE23-FINAL-aug-23-23.pdf

15 Ycharts. S&P 500 Market Cap. https://ycharts.com/indicators/sp_500_market_cap

16 Katherine Hamilton. (25 May 2023). *Nvidia Nears $1 Trillion Market Capitalization—Closing In On These Other Companies.* Forbes. https://www.forbes.com/sites/katherinehamilton/2023/05/25/nvidia-nears-1-trillion-market-capitalization-possibly-joining-these-other-companies/

17 Board of Governors of the Federal Reserve System. DFA: Distributional Financial. Distribution of Household Wealth in the U.S. since 1989. Corporate equities and mutual fund shares by wealth percentile group. https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/table/#range:2021.4,2023.1;quarter:134;series:Corporate%20equities%20and%20mutual%20fund%20shares;demographic:networth;population:all;units:shares

18 Board of Governors of the Federal Reserve System. DFA: Distributional Financial. Distribution of Household Wealth in the U.S. since 1989. Corporate equities and mutual fund shares by race. https://www.federalreserve.gov/releases/z1/dataviz/dfa/distribute/chart/#quarter:135;series:Corporate%20equities%20and%20mutual%20fund%20shares;demographic:race;population:1,3,5,7;units:shares

19 Based on 2022 Fortune 500 data; author's calculations

20 Spencer Y. Kwon, Yueran Ma and Kaspar Zimmermann. (05 April 2023). *100 Years of Rising Corporate Concentration*. Becker Friedman Institute. https://bfi.uchicago.edu/insight/research-summary/100-years-of-rising-corporate-concentration#:~:text=US%20corporate%20concentration%20has%20increased,with%20stronger%20economies%20of%20scale

21 Niko Lusiani. (15 December 2023). *New Empirical Evidence Calls for a Return to the Antimonopoly Roots of Corporate Taxation.* Roosevelt Institute Blog. https://rooseveltinstitute.org/2023/12/15/antimonopoly-roots-of-corporate-taxation/?utm_campaign=Publications%2Flatest%2Flanding+page%2CBlog%2CCP+Internal%2CQuote+-Graphic%2CNot+threaded%2CNo+Hashtag&utm_source=linkedin&utm_medium=social&utm_content=23-12+Tax+Advantages+of+Big+Business

22 The World Bank. GDP (current US$). World Bank national accounts data, and OECD National Accounts data files.https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2021&most_recent_value_desc=true&start=2021&view=bar

23 Economic Policy Institute. Company Wage Tracker. https://www.epi.org/company-wage-tracker/

24 Walmart. Notice of 2023 Annual Shareholders' Meeting. https://s201.q4cdn.com/262069030/files/doc_financials/2023/ar/2023-proxy-statement.pdf

25 Amazon. Notice of 2023 Annual Meeting of Shareholders & Proxy Statement. https://s2.q4cdn.com/299287126/files/doc_financials/2023/ar/Amazon-2023-Proxy-Statement.pdf

26 Office of the Assistant Secretary for Planning and Evaluation. Poverty Guidelines. https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

27 Data from Forbes Billionaires list. See here for Walton data. See here for Bezos data. We used 2016 as reference point for both as Walton family wealth data is only updated every four years.

28 Katherine Chapman. (22 November 2022). *Living wages have never been more critical as the cost-of-living soars globally.* World Business Council for Sustainable Development. https://www.wbcsd.org/Imperatives/Equity-Action/News/Living-wages-have-never-been-more-critical-as-the-cost-of-living-soars-globally

29 Given the geographic fluctuation of living income benchmarks across the US, company-specific living wage benchmarks are necessary to assess a company's living wage practices. Using national-level benchmarks risk blurring significant cost of living differences across the US. In the absence of public company-specific benchmarks, we set the benchmark at $20 an hour (with consideration of retirement, childcare, and healthcare). This is based on the population adjusted mean (provided by Living Wage for Us). Please note, $20 an hour does underestimate the expense of some areas (e.g. major cities like NYC, Boston, and San Francisco)

30 Economic Policy Institute (23 April 2021). *Unions help reduce disparities and strengthen our democracy.* https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/

31 Since anti-union actions by employers can have a chilling effect on unionization efforts that can last years, even past violations are considered relevant.

32 Stan Choe and Tom Krisher (31 January 2024). A court rejected Elon Musk's $55 billion pay package. What is he worth to Tesla? AP News. https://apnews.com/article/elon-musk-ceo-pay-compensation-tesla-f5ad4ce659a73a1209dc99a583d7b883

33 Forbes (2024). The Top 10 Richest People In The World. https://www.forbes.com/sites/forbeswealthteam/article/the-top-ten-richest-people-in-the-world/?sh=df26b7f54dc8

34 Randall Chase (31 January 2024). Elon Musk cannot keep Tesla pay package worth more than $55 billion, judge rules. AP News. https://apnews.com/article/elon-musk-tesla-compensation-pay-shareholders-e75687178d1175fba36ca55bd9c4c805

35 Peter Eavis (25 June 2022). How Elon Musk Helped Lift the Ceiling on C.E.O. Pay. The New York Times. https://www.nytimes.com/2022/06/25/business/highest-paid-ceos-elon-musk.html

36 Al Jazeera (1 Feb 2024). Why has a court blocked Elon Musk's $56bn Tesla pay? https://www.aljazeera.com/news/2024/2/1/why-did-a-court-cancel-elon-musks-tesla-salary-package

37 Josh Bivens and Jori Kandra (2023). CEO pay slightly declined in 2022. Economic Policy Institute. https://www.epi.org/publication/ceo-pay-in-2022/

38 Tracy Jan, Jena McGregor and Meghan Hoyer. (24 August 2021). *Corporate America's $50 Billion Promise: A Post Analysis of Racial Justice Pledges After George Floyd's Death Reveals the Limits of Corporate Power to Effect Change*. The Washington Post. https://www.washingtonpost.com/business/interactive/2021/george-floyd-corporate-america-racial-justice/?itid=lk_interstitial_manual_21

39 Lily Zheng. (1 December 2022). *The Failure of the DEI-Industrial Complex*. Harvard Business Review. https://hbr.org/2022/12/the-failure-of-the-dei-industrial-complex

40 Taylor Telford. (1 April 2023). *Critics of corporate diversity efforts emerge, even as initiatives falter*. The Washington Post. https://www.washingtonpost.com/business/2023/04/01/woke-capitalism-esg-dei-climate-investment/

41 Data retrieved from As You Sow Racial Justice Scorecard: https://www.asyousow.org/our-work/social-justice/racial-justice/data-visualization

42 Jamillah Bowman Williams. (15 February 2019). *Why Companies Shouldn't Be Allowed to Treat Their Diversity Numbers as Trade Secrets*. Harvard Business Review. https://hbr.org/2019/02/why-companies-shouldnt-be-allowed-to-treat-their-diversity-numbers-as-trade-secrets

43 Aggregating and comparing companies' demographic data is complicated by the fact that many companies publish their own demographic data using company-specific classifications for job types and hierarchies (and not the standardized EEO-1 form).

44 The company made progress in 2023 on some indicators including executive diversity (74% male executives and 67% white) and the use of part-time workers (69%). See Dollar Tree 2023 Sustainability Update: https://corporate.dollartree.com/_assets/_4439b6b9cd520eed41f973af24f09bae/dollartreeinfo/db/1177/9603/pdf/508_2303-4212370_DTFD+8.5x11_final_bar+nav_5+%28spreads%29+.pdf

45 Kennedy Smith. (28 February 2023). *17 Problems: How Dollar Store Chains Hurt Communities*. Institute for Local Self-Reliance. https://ilsr.org/17-problems/

46 Matthew Nestler, Aleksandra Radeva and Ian Sanders. (14 March 2023). *Despite an Uptick in 2023, Only 32% of the Largest U.S. Companies Analyze Their Gender Pay Gaps*. Just Capital. https://justcapital.com/news/equal-pay-day-2023-us-companies-analyzing-gender-wage-gaps-increased/

47 Of the ten companies that disclosed pay equity data, the majority published information on more than one of the four pay gaps we considered (race, gender, adjusted, unadjusted).

48 By taxing rich corporations, corporate income tax is essential to making a tax system progressive. See: https://www.taxpolicycenter.org/briefing-book/how-do-taxes-affect-income-inequality

49 EU Tax Observatory (2024). Global Tax Evasion Report 2024. https://www.taxobservatory.eu//www-site/uploads/2023/10/global_tax_evasion_report_24.pdf

50 Principles for Responsible Investment and The Investment Integration Project (2018). Why and how investors can respond to income inequality. https://www.unpri.org/download?ac=5599

51 The B Team. A New Bar for Responsible Tax: The Be Team Responsible Tax Principles. https://bteam.org/assets/reports/A-New-Bar-for-Responsible-Tax.pdf

52 Global Reporting Initiative. Topic Standard for Tax. https://www.globalreporting.org/media/sfcpcrt4/gri-207-tax-standard-2019-factsheet.pdf?id=1616

53 Country-by-country reporting (CbCr) is a requirement in alignment with OECD tax guidelines and requires companies to report business activities, revenues, profit, and tax payments by jurisdiction.

54 We compared companies' reports of significant offshore subsidiaries with a list of the most prominent tax havens as defined by Oxfam and tax justice allies.

55 Kevin Kelleher (5 August 2022). U.S. companies are hoarding more and more money overseas. Fortune. https://fortune.com/2022/08/05/us-companies-cash-overseas-tax-incentives/

56 U.S. Government Accountability Office (14 December 2022). Corporate Income Tax: Effective Rates Before and After 2017 Law Change. https://www.gao.gov/products/gao-23-105384

57 Pew Research Center (19 September 2023). Public Trust in Government: 1958 – 2023. https://www.pewresearch.org/politics/2023/09/19/public-trust-in-government-1958-2023/

58 Taylor Giorno (26 January 2023). Federal lobbying spending reaches $4.1 billion in 2022 – the highest since 2010. Open Secrets. https://www.opensecrets.org/news/2023/01/federal-lobbying-spending-reaches-4-1-billion-in-2022-the-highest-since-2010/#:~:text=By%20Taylor%20Giorno%20January%2026%2C,of%20federal%20lobbying%20disclosures%20found

59 Martin Gilens and Benjamin Page (2014). Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens. *Perspectives on*

Politics 12(3): 564–81. https://www.cambridge.org/core/journals/perspectives-on-politics/article/testing-theories-of-american-politics-elites-interest-groups-and-average-citizens/62327F513959D0A304D4893B382B992B

60 Alexander Branham, Stuart Soroka, and Christopher Wlezien, (2017), When Do the Rich Win?. Political Science Quarterly, 132: 43-62. https://onlinelibrary.wiley.com/doi/full/10.1002/polq.12577

61 Based on 182 companies for which we could find data. Data retrieved from Open Secrets database (www.opensecrets.org).

62 Brian Wallheimer (7 June 2018). How Corporations Use Charitable Giving to Wield Political Influence. https://www.chicagobooth.edu/review/how-corporations-use-charitable-giving-wield-political-influence

63 CPA-Zicklin indicators #6 and #20

64 Andrew Winston, Elizabeth Doty, and Thomas Lyon (24 October 2022). The Importance of Corporate Political Responsibility. MIT Sloan Management Review. https://sloanreview.mit.edu/article/the-importance-of-corporate-political-responsibility/

65 The contributions of climate change to global inequality are well documented. Inequality aggravates the vulnerabilities of people living in poverty due to their increased exposure to climate hazards, their disproportionate susceptibility to damage caused by those hazards, and their inability to cope with and recover from harm (e.g. natural disasters, crop failure). See Noah S. Diffenbaugh and Marshall Burke, PNAS, *Global warming has increased global economic inequality*, April 2019 https://www.pnas.org/content/pnas/116/20/9808.full.pdf

66 Adele Barbato and Eric Kenny (2021). 2018-2019 Fortune 500 Companies Greenhouse Gas Emissions. Recapture. https://www.recapturecarbon.com/fortune-500-emissions-report-2019

67 S. Nazrul Islam and John Winkel, Department of Economic and Social Affairs UN Secretariat, *Climate Change and Social Inequality,* October 2017 https://www.un.org/esa/desa/papers/2017/wp152_2017.pdf

68 Oxfam (2008). Climate Change and Women Fact Sheet. https://www.oxfamamerica.org/explore/research-publications/climate-change-and-women-fact-sheet/

69 Oxfam. Climate Change and Inequality. https://www.oxfamamerica.org/explore/issues/climate-action/climate-change-and-inequality/

70 Axylia (2023). SBTI 2030 Climate Plans: The Light of the Axylia Carbon Score. https://www.axylia.com/post/sbti-2030-climate-plans-the-light-of-the-axylia-carbon-score?lang=en

71 Adele Barbato and Eric Kenny (2021). 2018-2019 Fortune 500 Companies Greenhouse Gas Emissions. Recapture. https://www.recapturecarbon.com/fortune-500-emissions-report-2019

72 International Labor Organization. Frequently Asked Questions on just transition. https://www.ilo.org/global/topics/green-jobs/WCMS_824102/lang--en/index.htm

OXFAM

Oxfam is an international confederation of 21 organizations, working with its partners and allies, reaching out to millions of people around the world. Together, we tackle inequalities to end poverty and injustice, now and in the long term – for an equal future. Please write to any of the agencies for further information or visit www.oxfam.org.

Oxfam America (www.oxfamamerica.org)
Oxfam Aotearoa (www.oxfam.org.nz)
Oxfam Australia (www.oxfam.org.au)
Oxfam-in-Belgium (www.oxfamsol.be)
Oxfam Brasil (www.oxfam.org.br)
Oxfam Canada (www.oxfam.ca)
Oxfam Colombia (lac.oxfam.org/countries/Colombia)
Oxfam France (www.oxfamfrance.org)
Oxfam Germany (www.oxfam.de)
Oxfam GB (www.oxfam.org.uk)
Oxfam Hong Kong (www.oxfam.org.hk)
Oxfam IBIS (Denmark) (www.oxfamibis.dk)
Oxfam India (www.oxfamindia.org)
Oxfam Intermón (Spain) (www.oxfamintermon.org)
Oxfam Ireland (www.oxfamireland.org)
Oxfam Italy (www.oxfamitalia.org)
Oxfam Mexico (www.oxfammexico.org)
Oxfam Novib (Netherlands) (www.oxfamnovib.nl)
Oxfam Québec (www.oxfam.qc.ca)
Oxfam South Africa (www.oxfam.org.za)
KEDV (Türkiye) (www.kedv.org.tr)

www.oxfam.org

OXFAM