

Tax Breaks and Inequality

Enriching Billionaires and
Low-Road Employers in the Name
of Economic Development

**GOOD
JOBS
FIRST**

DECEMBER 2014

Tax Breaks and Inequality

Enriching Billionaires and
Low-Road Employers in the Name
of Economic Development

by Philip Mattera, Kasia Tarczynska and Greg LeRoy

December 2014



Good Jobs First
1616 P Street NW Suite 210
Washington, DC 20036
www.goodjobsfirst.org

Copyright © 2014 by Good Jobs First. All rights reserved.

Table of Contents

Executive Summary	2
Introduction	4
Methodology	5
Subsidizing the Forbes 400	6
Subsidies for Low-Road Employers	8
Promoting Inequality at Both Ends	10
Policy Framework: Economic Development Subsidies and Inequality	11
Appendix A: Companies With \$1 Million or more in Subsidies and Linked to Members of the Forbes 400	13
Appendix B: Large Low-Wage Employers with \$1 million or more in Subsidies	19
Endnotes	24

ACKNOWLEDGEMENT

Good Jobs First gratefully acknowledges the support of the Nathan Cummings Foundation, which made this research and report possible.

EXECUTIVE SUMMARY

The intensification of economic inequality, one of the defining issues of our times, has many causes, ranging from the weakening of labor unions to the decimation of inheritance taxes. This report argues that another factor belongs on the list: subsidies given by state and local governments to large corporations in the name of economic development.

When they enrich companies owned by billionaires like those in the Forbes 400, and subsidize companies such as Wal-Mart that pay low wages, economic development subsidies are fueling income inequality.

Such subsidies—in the form of business property tax abatements, corporate income tax credits, sales tax exemptions, training grants, infrastructure improvements and the like—are supposed to promote job creation and broad-based economic growth. Yet they are often awarded to profitable, growing companies that do not need tax breaks to finance a project, meaning that the subsidies serve mainly to increase profits. When these companies are owned in whole or substantial part by wealthy individuals or families—true of many large U.S. corporations—the subsidies are serving to enlarge those private fortunes: directly in privately held firms or through stock price appreciation and dividends in publicly traded ones.

Subsidizing Billionaires

Looking those at the very top of the social pyramid—members of the Forbes 400 list of the wealthiest Americans—we find billionaires linked to 99 firms that have been awarded more than \$19 billion in cumulative subsidies, as documented in the Good Jobs First Subsidy Tracker database.

Five of the 99 firms have been awarded more than \$1 billion in subsidies, including Intel (\$5.9 billion), Nike (\$2 billion), Cerner (\$1.7 billion), Tesla Motors (\$1.3 billion) and Berkshire Hathaway (\$1.2 billion). The average subsidy total for the group, which is limited to those firms receiving \$1 million or more, is \$196 million.

About one-third of the individuals on the Forbes 400 are linked to one or more of the 99 highly subsidized companies, including every one of the 11 wealthiest individuals and all but two of the top 25. These include Bill Gates, whose \$81 billion fortune comes mainly from his holdings in Microsoft, which has been awarded \$203 million in subsidies; Warren Buffett, whose \$67 billion net worth derives from Berkshire Hathaway, which has been awarded \$1.2 billion in subsidies; Larry Ellison, whose \$50 billion net worth comes from Oracle, which has been awarded \$18 million in subsidies; the Koch Brothers, each worth \$42 billion from Koch Industries, whose subsidies total \$154 million; and four members of the Walton Family, each worth more than \$35 billion from Wal-Mart Stores, which has been awarded more than \$161 million in subsidies.

Subsidies are not the primary source of the Forbes 400's wealth, but they contribute to it in a way that makes things more difficult for working families. When large corporations controlled by billionaires are given lavish taxpayer subsidies, the rest of

society—especially working families—gets stuck with a larger share of the cost of essential public services.

Subsidizing Low-Road Employers

Another well documented cause of inequality has been the long-term stagnation and even the decline of wages in real terms for many low- and middle-income workers. Here, one would hope that the billions spent on economic development would help raise living standards for typical families. But instead we find dozens of prominent low-wage companies being subsidized: taxpayer money is being used to expand low-quality employment.

We identify 87 such companies that have each been awarded more than \$1 million in state and local subsidies, for a total of \$3.3 billion. Retailers dominate the list, with 60 firms awarded more than \$2.6 billion in subsidies. Twelve firms in the hospitality sector (restaurants, hotels and foodservice companies) account for more than \$245 million in subsidies. The low-wage companies with the most in subsidies are: Sears (\$536 million), Amazon.com (\$419 million), Cabela's (\$247 million), Convergys (\$202 million), Starwood Hotels & Resorts (\$166 million) and Wal-Mart Stores (\$161 million).

Eight companies are both linked to members of the Forbes 400 and pay low wages. Listed in order of their subsidy totals, they are: Sears, Amazon.com, Wal-Mart, Best Buy, Bass Pro, Meijer, Menard, and Allegis Group. These are all retailers except for the staffing services company Allegis.

The combined subsidy total for the low-wage employers and the companies linked to the Forbes 400 is \$21.4 billion.

Subsidies are, as stated, only one factor in the growing inequality of income and wealth, but these companies are prime examples of how economic development is contributing to the problem.

In a policy sidebar, we put these findings in context. Besides their facial connection to inequality, economic development subsidies fuel inequality three other ways: via sprawl, regressivity, and corporate stock ownership. Geographically, we have repeatedly found subsidies to be biased against neighborhoods most in need of jobs, to be, as one newspaper headlined it, “Reverse Robin Hood.” It’s a tragic reality for even those programs originally enacted to help reduce poverty. Most states’ tax systems are quite regressive, and when companies get large subsidies and don’t pay their fair share of the costs created by the resulting growth, the resulting tax-burden shift is also usually regressive. Finally, with the distribution of *wealth* in the United States being far more unequal than that of *income*, and much of that wealth consisting of stock ownership of companies, to the extent that subsidies raise corporate profits, they also disproportionately benefit the wealthy.

INTRODUCTION

Economic inequality has many causes, ranging from the weakening of labor unions to the decimation of inheritance taxes. In this report we make the case for adding another item to the list: subsidies awarded by state and local governments to large corporations in the name of economic development.

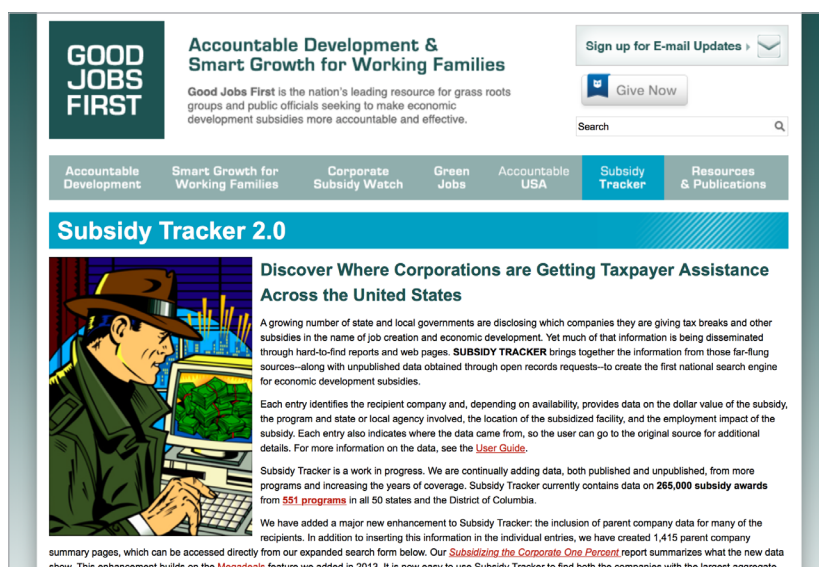
Subsidies—in the form of business property tax abatements, corporate income tax credits, sales tax exemptions, training grants and the like—are supposed to promote job creation and economic growth. Yet they are often given to companies that do not need the assistance to carry out the investment, meaning that the subsidies serve mainly to boost the profits of the firms.

To the extent that these companies are owned in whole or in substantial part by wealthy individuals or families—which is the case for many of the largest U.S. corporations—the subsidies are serving to enlarge those private fortunes. This may occur directly in the case of privately held firms or through stock price appreciation in the case of publicly traded ones.

We look at how this process plays out with regard to the members of the Forbes 400 list of wealthiest Americans. After identifying the companies to which these billionaires are currently linked, we determine which of those firms have been awarded substantial amounts in state and local subsidies.

In addition to helping the rich get richer, subsidies can help perpetuate financial distress at the other end of the economic spectrum. While some economic development programs intentionally seek to provide assistance to companies creating higher-quality jobs, subsidies all too often end up going to low-road employers.

In the second part of this report, we analyze the extent to which large subsidy amounts have gone to companies known to have a predominantly low-wage workforce.



The Good Jobs First Subsidy Tracker can be found at www.goodjobsfirst.org/subsidy-tracker

METHODOLOGY

This report derives from a “mash-up” of information in our Subsidy Tracker database of state and local subsidy awards with two groups of companies: firms linked to members of the Forbes 400 list of the wealthiest Americans and major low-wage employers.

Originally introduced in December 2014, Subsidy Tracker, now contains more than 260,000 company-specific entries covering more than 550 state and local subsidy programs in all 50 states and the District of Columbia.¹ In February 2014, we launched version 2.0 of the database, which now links more than 1,400 large corporations to the entries for their various divisions and subsidiaries, thus allowing us to provide aggregate subsidy totals for the major companies that dominate the U.S. economy. Note that while Subsidy Tracker is as complete as possible given available information, it does not contain all subsidy awards, especially at the local level.

Our first mash-up is with corporations to which the members of the 2014 Forbes 400 are currently linked as owners, executives and/or significant shareholders. We exclude companies formerly owned or controlled by members of the 400, even if the proceeds from their sale were responsible for the current wealth of those individuals.²

Supplementing the information in the 400 list (which often does not mention the firm through which a billionaire struck it rich) with additional research from a wide variety of sources, we identified 258 unique companies, ranging from giant corporations included in the Fortune 100 to hedge funds. Ninety-seven of the 258 are publicly traded and 161 are privately held. We then compared the list to the companies in Subsidy Tracker, looking for those with total subsidies of \$1 million or more. The matches are discussed in the main text below and listed in Appendix A.

The second mash-up is with large companies whose U.S. workforce is predominantly low-wage. Here we did not have a ready-made list to use. Instead, we took as our initial universe the 1,415 parent companies in Subsidy Tracker. Given that corporations are not required to report their pay levels, we determined which of the 1,415 companies are

in sectors known for having low wage rates. We assembled a list of such sectors using a variety of sources, such as the work done by the National Employment Law Project focusing on the retail and hospitality sectors.³ The resulting sector list includes the following:

- business services (call centers, staffing services, etc.)
- hospitality (restaurants, hotels, foodservice)
- meat/poultry processing
- nursing homes
- private prisons
- retailing (including supermarkets and pharmacies)

About 185 of our 1,415 Subsidy Tracker parent companies fit into one of these categories. We did not assume that all of them are low-wage. We did additional research on each of the 185 companies to see which belonged and which were atypical of the sector and thus should be eliminated (Costco in retailing, for example). In doing so, we consulted news stories on the employment practices of the firms and checked websites such as Glassdoor.com and Payscale.com, where individuals post information about wage levels where they work. We also checked the 10-K Securities and Exchange Commission filings of the publicly traded companies on the list for clues about wage rates (for example, statements that an increase in federal or state minimum wage rates could result in higher labor costs).

Note that we do not apply an absolute cutoff for deciding which companies deserve to be considered low-wage. We deliberately do not use the term “poverty wage” in the text because some of the companies we include pay somewhat above the official poverty line but still are low-road because they keep many workers in part-time positions or do not provide adequate benefits such as health coverage. The final list of low-wage employers, which numbers 115, is based on numerous judgment calls on our part. After removing companies with small subsidy amounts (below \$1 million), we are left with 87 matches, which are discussed in the main text below and listed in Appendix B.

■ SUBSIDIZING THE FORBES 400

In its latest list of the wealthiest individuals in the United States, *Forbes* highlights those who supposedly built fortunes entirely on their own rather than through inheritance. For the first time, the magazine ranks the members of the 400 on the degree to which they overcame adversity on the path to success, reserving the highest score for those whose life resembles the old Horatio Alger legend of pulling oneself up by one's bootstraps.

Extending the analysis back to earlier editions of the wealth list, the magazine claims: “For all the carping about economic unfairness, this country’s financial elite are increasingly drawn from the entrepreneurial class. The American Dream, it seems, is alive and well.”⁴

In its celebration of individual accomplishment, *Forbes* overlooks the fact that many of the super-rich—both those it calls “bootstrappers” and those labeled “silver spooners”—received help of another kind: government assistance. It is well known that members of the billionaire class benefit from highly favorable personal income tax policies at both the state and federal levels. Here we focus on the *companies* through which the members of the Forbes 400 attained their wealth and conduct the first systematic estimate of the extent to which those firms have been aided by economic development subsidies awarded by state and local governments.

The overlap is substantial. More than one-third of the 258 companies linked to the Forbes 400 are also substantial recipients of subsidies. Ninety-nine of them have received awards totaling \$1 million or more. The combined value of those awards is \$19.4 billion, or an average of \$196 million per company. (See Appendix A for the full list). Each the 11 wealthiest individuals on the Forbes list and all but two of the top 25 are linked to subsidized companies.

The dozen biggest corporate subsidy recipients linked to the Forbes 400 are shown in Table 1. Prominent on this list are high-tech, new-tech and internet companies that have a reputation for having achieved their success through entrepreneurial genius. It turns out that, like Old Economy companies, they too are subsidized by taxpayers.

For example, Intel is the second largest recipient among all the companies in Subsidy Tracker by virtue of the huge tax-break deals it has won from state and local officials for its capital-intensive microchip fabrication plants. Tesla generated a major controversy this year when it started a public five-state auction for an advanced battery plant it decided to build in Nevada after being awarded a \$1.3 billion subsidy package. Companies such as Google and Apple seek big subsidy packages when they build data centers, even though the decisions on where to locate those facilities, which create few jobs, are mainly based on the availability of cheap electricity. The same goes for Yahoo and Microsoft, which are also high on the list of subsidized companies linked to members of the Forbes 400. Microsoft, whose former CEO Bill Gates is the country’s wealthiest individual with an estimated net worth of \$81 billion (reflecting his ongoing ownership of a substantial portion of the company’s stock), has been awarded more than \$200 million in state and local subsidies.

TABLE 1. The 12 Biggest Corporate Subsidy Recipients Linked to the Forbes 400

Company	Total Tracker subsidies	Linked Forbes 400 Members	Forbes Estimate of Net Worth
Intel	\$5,882,227,425	Gordon Moore (co-founder and now chairman emeritus)	\$7 billion
Nike	\$2,034,690,496	Phil Knight (co-founder, chairman and major shareholder)	\$19.9 billion
Cerner	\$1,735,819,257	Neal Patterson (co-founder, CEO and major shareholder)	\$1.55 billion
Tesla Motors	\$1,287,647,626	Elon Musk (co-founder, CEO and major shareholder)	\$10.3 billion
Berkshire Hathaway	\$1,197,218,397	Warren Buffett (CEO and major shareholder)	\$67 billion
Google	\$751,371,505	Larry Page and Sergei Brin (co-founders and major shareholders, and Page is CEO); Eric Schmidt (executive chairman and substantial shareholder)	\$31 billion each for Page and Brin; Schmidt \$9.3 B
Sears	\$535,988,568	Edward Lampert (CEO and major shareholder)	\$3.1 billion
FedEx	\$516,920,687	Frederick Smith (founder, CEO and major shareholder)	\$3.5 billion
Dell	\$477,733,356	Michael Dell (founder, CEO and owner along with private equity firm Silver Lake)	\$17.7 billion
Apple	\$446,485,233	Laurene Powell Jobs (widow of co-founder Steve Jobs and reportedly still a significant shareholder). Also on Forbes list is David Geffen, said by Forbes to be a significant shareholder.	\$16.6 billion (Jobs); \$6.7 billion (Geffen)
Amazon.com	\$418,822,109	Jeff Bezos (founder, CEO and major shareholder)	\$30.5 billion
Walt Disney	\$413,290,794	Laurene Powell Jobs (major shareholder as a result of her late husband's 2006 sale of Pixar to Disney).	\$16.6 billion

The big subsidy recipients linked to the Forbes 400 also include some lower-tech firms. Among these is the conglomerate Berkshire Hathaway, whose CEO Warren Buffett is known for his investing prowess but has also enjoyed the benefits of \$1.2 billion in subsidies to his operating units, especially Nebraska Furniture Mart and the insurer GEICO. Athletic shoemaker Nike, whose co-founder and chairman Phil Knight ranks 23rd on the Forbes list, got the Oregon legislature to guarantee him a special 30-year tax break worth more than \$2 billion.

The most heavily subsidized retailer on the list is Sears, whose CEO and primary owner Edward Lampert pressured Illinois to provide a \$275 million package in exchange for dropping a threat to relocate the headquarters of the struggling company, a reprise of a similar “job blackmail” deal carried out by Sears under its previous owners in 1989. FedEx, still run by Frederick Smith, who founded the package delivery company in 1971, stands out for the sheer number of subsidy deals it has received (297 are detailed in Subsidy Tracker), topped by a \$250 million package in Texas and a \$115 million package in North Carolina.

Not far behind FedEx in terms of deal volume is Wal-Mart Stores, with 284 awards worth a total of \$161 million. Four heirs of founder Sam Walton are among the Forbes 400 top ten, each with an estimated net worth of more than \$35 billion.

Subsidies are not the primary source of the Forbes 400’s wealth, but they contribute to it in a way that makes things more difficult for working families. When large corporations controlled by billionaires are given lavish taxpayer subsidies, the rest of society gets stuck with a larger share of the cost of essential public services.

Another well documented cause of inequality has been the long-term stagnation and even the decline of wages in real terms for many low- and middle-income workers. Here, one would hope that the billions spent on economic development would help raise living standards for typical families. Is taxpayer money being used to subsidize the expansion of low-quality employment? That issue is addressed in the second part of this report.

■ SUBSIDIES FOR LOW-ROAD EMPLOYERS

Once upon a time, productivity increases and economic growth in the United States were rewarded with rising wages (in real terms) for most working families.

Today, wage levels are stagnating, while returns to capital grow ever larger. The Economic Policy Institute points out that workers' share of income in the corporate sector last year reached its lowest level since 1950.⁵

If there were any justification for giving taxpayer funds to large private businesses, especially in the current economic climate, it would be that such subsidies are supposed to enhance prosperity, mainly through the creation of quality jobs. In fact, many state and local government economic development agencies have adopted job quality standards (mainly with regard to pay levels) in their subsidy programs. Our 2011 report *Money for Something* found that 98 of 238 major programs around the country have such standards, a substantial improvement from previous years.⁶ Moreover, many programs use eligibility rules that deny subsidies to companies in certain sectors (especially retailing) that tend to have low pay and thus generate poor economic ripple effects.

Despite these safeguards, large companies that pay low wages are receiving substantial amounts in state and local subsidies. Among the 1,415 parent companies in Subsidy Tracker for which we have assembled total subsidy amounts, there are 87 whose workforce is predominantly low-wage. These companies have been awarded more than \$3.3 billion in subsidies from state and local governments, or an average of \$37.9 million per firm (see Appendix B for the full list of companies and their subsidy amounts).

The following are the aggregate subsidy amounts by sector:

- business services (call centers, staffing services, etc.; 5 firms) \$220,885,206
- hospitality (restaurants, hotels, foodservice; 12 firms) \$244,843,396
- meat/poultry processing (5 firms) \$207,209,608
- nursing homes (3 firms) \$12,787,755
- private prisons (2 firms) \$5,149,584
- retailing (including supermarkets and pharmacies; 60 firms) \$2,605,063,245

Of most concern in this list is the \$2.6 billion going to retailing, the sector which is supposed to be disqualified by many economic development program rules. The \$244 million going to the hospitality sector is also troubling, given that it includes fast-food chains, among the lowest paying large companies and the target of an ongoing organizing campaign to raise wage levels.

Turning to the individual firms, there are 11 with aggregate subsidy totals of \$100 million or more:

- Sears \$535,988,568
- Amazon.com \$418,822,109
- Cabela's \$247,189,539
- Convergys \$201,790,810
- Starwood Hotels & Resorts \$165,904,767
- Wal-Mart Stores \$160,993,282

- Lowe's..... \$138,958,458
- Tyson Foods \$128,713,426
- CVS Health..... \$114,359,481
- Target..... \$107,949,139
- Kohl's \$104,528,931

All but three of these are retailers, with the remaining in call centers (Convergys), hotels (Starwood) and meat/poultry processing (Tyson Foods).

Sears got most of its more than half a billion in subsidies from two “job blackmail” deals involving its headquarters in Illinois. Kohl’s, Starwood and Convergys also got most of their subsidies in deals involving their headquarters, while Amazon.com got most of its assistance for distribution centers and data centers.

Although the employees at these headquarters or distribution centers are undoubtedly paid better than retail store employees, the subsidies make it easier

for the companies to pursue their low-road business model. State and local officials who award them are thus indirectly enabling the expansion of low-wage employment.

Most of the subsidy awards to the other retailers—including Cabela’s, Wal-Mart, Lowe’s, CVS and Target—have gone directly to their retail outlets, where the lowest-paying jobs tend to be concentrated. Wal-Mart has received 284 individual awards, the most of any of the low-wage employers on our list (as noted above, this and the company’s dollar total are probably understatements, given the many local deals that do not end up in the official disclosure data on which Subsidy Tracker mainly relies). Among the 11 most highly subsidized low-wage employers, Target has the second highest number of deals with 150, followed by Tyson Foods (144) CVS (133) and Lowe’s (129). In other words, substantial amounts in state and local subsidies have been going directly to retail establishments creating low-wage jobs.

Conservative Estimates

The Wal-Mart subsidy total above is an indication that the amounts in Subsidy Tracker, while a faithful compilation of available official data, do not always tell the full story. The database compiles company-specific recipient information posted online by state governments and a limited number of cities and counties. We supplement these lists with open records requests, through which we have obtained unpublished data for about 100 of the 550 programs Subsidy Tracker aggregates. There are many more programs, especially at the local level, for which we have not yet submitted requests. All this is to say that Tracker data cannot be regarded as comprehensive but rather a work in progress.

Apart from official recipient lists, it is possible to learn about some subsidy deals by searching online news archives and using other secondary sources. A decade ago, well before the introduction of Subsidy Tracker and at a time when there was much less online subsidy disclosure by state and local governments, we used this method to assemble a report on subsidies to Wal-Mart. Our 2004 report *Shopping for Subsidies* estimated the retail giant’s subsidies at about \$1 billion.⁷ Three years later, in the course of creating a website called Walmartsubsidywatch.org, we updated the research and put the cumulative value at \$1.2 billion, much of which came from deals with local governments.⁸ Many of those deals are missing from the available official data aggregated for Subsidy Tracker.⁹

We do not know whether the 7:1 ratio between the value of the Wal-Mart subsidies in Walmartsubsidywatch.org and those in Subsidy Tracker would hold for other companies. Given that no other firms have anywhere near as many facilities likely to attract substantial subsidy packages from local governments, it seems unlikely. Yet it is accurate to say that our Tracker figures for all big companies, especially large retail chains, are conservative.¹⁰

PROMOTING INEQUALITY AT BOTH ENDS

The analysis above makes it clear that the economic development subsidies going to large companies frequently enrich the country's wealthiest individuals and families while also in many cases supporting predominantly low-wage employers. The combined subsidy total for the two categories is \$21.4 billion.

In some cases, both things are happening at the same time; i.e., subsidy awards have gone to corporations that are linked to the Forbes 400 *and* have low-road compensation practices. Comparing the 99 companies linked to billionaires to the 87 with low wages, we find eight overlaps, all but one of them retailers (Table 2).

When a state or local government subsidizes a Wal-Mart store or an Amazon.com warehouse, it is doing the most to intensify economic inequality by enriching individuals at the very top of the income hierarchy while also perpetuating poor quality jobs at the bottom.

TABLE 2. Low-Wage Employers Linked to the Forbes 400

Company	Sector	Subsidy Total	Number of Awards
Sears	retail-department stores	\$535,988,568	63
Amazon.com	retail-internet	\$418,822,109	49
Wal-Mart Stores	retail-discount stores	\$160,993,282	284
Best Buy	retail-consumer electronics	\$87,669,933	37
Bass Pro Shops	retail-hunting & fishing	\$28,255,677	44
Meijer	retail-supermarkets	\$24,248,843	18
Menard	retail-home improvement	\$17,679,912	31
Allegis Group	business services-staffing	\$1,100,000	11

■ POLICY FRAMEWORK: ECONOMIC DEVELOPMENT SUBSIDIES AND INEQUALITY

by Greg LeRoy

This study newly documents a facial connection to inequality: On their face, when taxpayer subsidies are awarded to billionaire-owned companies, and to companies with low wages, and even to some companies that fit both descriptions, the result is more inequality.

Our greatly enhanced Subsidy Tracker database now enables ever-better firm-specific analysis about the distribution of subsidies, and we are pleased to be able to use it this way.

There are three other ways one could argue that economic development subsidies fuel inequality: via sprawl, regressivity, and corporate stock ownership.

Sprawl

In six previous studies, Good Jobs First has documented that, especially in large metro areas, subsidies are geographically biased against inner cities, communities of color, neighborhoods hit hardest by plant closings and workers who rely upon transit. That is, the geography of economic opportunity as shaped by economic development incentives is, as the Chicago Tribune headlined it, “Reverse Robin Hood.”¹¹

A related phenomenon is the long-term deregulation of subsidy programs such as enterprise zones and tax increment financing (TIF) districts that were originally geographically targeted to economically distressed areas and had at least a facial intention of poverty reduction. However, as we documented in a study 11 years ago, many states have deregulated such programs in ways that allow them to be gerymandered or created anew in areas that are not at

all distressed. Some states have declared their entire selves as “enterprise zones,” and Virginia allows the creation of a TIF district anywhere it will promote “commerce and prosperity.”¹²

Regressivity

As the Institute on Taxation and Economic Policy has repeatedly documented in its “Who Pays?” studies, most states’ tax systems are quite regressive. The causes of that regressivity are many, and they vary by state, but it’s not hard to see how large subsidy deals have become a contributing factor.

If a company locates a large new facility in a community, the project will likely induce population growth and therefore the need for more public services: new teachers will have to be hired, more classrooms built, more roads widened, and more trash picked up. All those services cost money. But if the newly arriving company has received a “megadeal” composed of long-term income, property and sales tax breaks, the company, and by implication its shareholders, are not paying their fair share of those incremental public-service costs.

Only two things can happen: the quality of public services can decline or tax rates on everyone else can go up, or some of both. The recent trend in state and local tax policy, when more revenue is needed, has

most often been to raise sales and/or property taxes, which are the most regressive taxes. This burden shift is a well-defined part of the inequality debate, since by definition regressive taxes make income and wealth inequality even worse.

Corporate Stock Ownership

Given that the distribution of wealth in the United States is far more unequal than that of income, and much of that wealth consists of stock ownership of companies, to the extent that subsidies raise corporate profits, they also disproportionately benefit the wealthy. Of course, this study looks at a subset of this phenomenon by examining companies owned in whole or part by billionaires.

Summary

The preservation of the middle class—and by subtext, the forestalling of inequality’s 35-year march—is a frequently invoked justification for economic development subsidies. But when one reads the fine print and digs into actual outcomes, that justification is routinely undermined. When economic development spending meets the definition of the word “incentive,” that is when it addresses unmet needs such as food deserts that need fresh-grocery stores or returning citizens who need gainful employment or small businesses facing the post-recession credit squeeze, then it can help create new opportunity. But no state’s economic development budget is dominated by such priorities.

■ APPENDIX A-1: COMPANIES WITH \$1 MILLION OR MORE IN SUBSIDIES AND LINKED TO MEMBERS OF THE FORBES 400

(See Appendix A-2 for a version of the table with the companies listed in alphabetical order)

Sources: subsidy totals are from Subsidy Tracker; net worth figures are from the 2014 Forbes 400 list; ownership percentages for publicly traded companies are from SEC filings (usually proxy statements); other information is from the Forbes list and additional research.

Company	subsidy total	publicly traded	Forbes 400 member	net worth	role ¹³	current CEO or chair	percent ownership
Intel	\$5,882,227,425	yes	Gordon Moore	\$7 B	founder and chairman emeritus	no	n.a.
Nike	\$2,034,690,496	yes	Phil Knight	\$19.9 B	founder	yes	16.20
Cerner	\$1,735,819,257	yes	Neal Patterson	\$1.55 B	founder	yes	8.00
Tesla Motors	\$1,287,647,626	yes	Elon Musk	\$10.3 B	founder	yes	27.00
Berkshire Hathaway	\$1,197,218,397	yes	Warren Buffett	\$67 B	builder	yes	39.20
Google	\$751,371,505	yes	Larry Page; Sergey Brin; Eric Schmidt	\$31.5 B; \$31 B; \$9.3 B	founders; builder	yes (Page CEO, Schmidt executive chairman)	28.1; 27.6; 5.5
Sears	\$535,988,568	yes	Edward Lampert	\$3.1 B	builder	yes	48.50
FedEx	\$516,920,687	yes	Frederick Smith	\$3.5 B	founder	yes	7.41
Silver Lake (Dell portion)	\$477,733,356	no	Michael Dell	\$17.7 B	founder	yes (at Dell)	75.00
Apple	\$446,485,233	yes	Laurene Powell Jobs & family; David Geffen	\$16.6 B; \$6.7 B	widow of founder	no	n.a.
Amazon.com	\$418,822,109	yes	Jeff Bezos	\$30.5 B	founder	yes	18.30
Walt Disney	\$413,290,794	yes	Laurene Powell Jobs & family	\$16.6 B	investor	no	7.50
Anschutz Company	\$291,503,220	no	Philip Anschutz	\$11.1 B	builder	yes	n.a.
Yahoo	\$261,990,314	yes	David Filo	\$3.3 B	founder	no	7.00
Blackstone	\$206,311,573	yes	Stephen Schwarzman; Hamilton James; Jonathan Gray	\$10.6 B; \$1.7 B; \$1.6 B	founder; president/ investor; executive/ investor	yes	44.0; 7.0; 8.0
Microsoft	\$203,133,500	yes	Bill Gates; Steve Ballmer	\$81 B; \$22.5 B	founder; builder	no	3.61; 4.04
HCA	\$193,611,490	yes	Thomas Frist Jr & family	\$7.6 B	founder	no	29.10
Simon Property	\$187,000,000	yes	Herbert Simon	\$2.3 B	founder	no	6.91
Wal-Mart Stores	\$160,993,282	yes	Walton Family (6 members)	4 richest are worth \$34.8 B to \$38 B each	heirs	yes (S. Robson)	50.25 (family total)
Enterprise Products Partners	\$155,190,017	yes	Randa Williams; Dannine Avara; Scott Duncan; Milane Frantz	\$7 B each	heirs	yes (Randa)	36.90
Koch Industries	\$154,454,449	no	Charles Koch & David Koch	\$42 B each	builder	yes (Charles)	84.00
TRT Holdings	\$128,200,000	no	Robert Rowling	\$6 B	investor	no	n.a.
Bridgewater Associates	\$115,000,000	no	Ray Dalio	\$15.2 B	founder	yes	80.00
Fidelity Investments	\$114,987,866	no	Abigail Johnson; Edward Johnson III	\$13.3 B; \$7.3 B	builder	yes (Abigail)	49 (family total)
Viacom	\$101,745,349	yes	Sumner Redstone	\$6.5 B	founder	yes	79.30
Ebay	\$94,022,645	yes	Pierre Omidyar	\$8.2 B	founder	yes	8.50

Company	subsidy total	publicly traded	Forbes 400 member	net worth	role ¹³	current CEO or chair	percent ownership
Apollo Global Management	\$93,498,616	yes	Leon Black; Joshua Harris; Marc Rowan	\$5.4 B; \$2.6 B; \$2.5 B	founders	yes	68.80
Best Buy	\$87,669,933	yes	Richard Schulze	\$2.6 B	founder	no	17.67
Icahn Enterprises	\$84,585,753	yes	Carl Icahn	\$26 B	founder	yes	88.00
Twenty-First Century Fox	\$77,265,202	yes	Rupert Murdoch & family	\$14.2 B	builder	yes	39.40
TPG Capital	\$76,641,042	no	David Bonderman; James Coulter	\$2.6 B	founders	yes (Bonderman)	n.a.
MacAndrews & Forbes	\$75,102,381	no	Ronald Perelman	\$14.5 B	founder	yes	n.a.
KKR	\$56,377,681	yes	George Roberts; Henry Kravis	\$5.1 B; \$5 B	founder	yes	59.10
Cargill	\$53,682,616	no	MacMillan Family members	\$3.8 B each	builders	no	n.a.
Cablevision Systems	\$48,847,687	yes	Charles Dolan & family	\$3.9 B	founder	yes	72.90
Quicken Loans	\$47,547,182	no	Daniel Gilbert	\$4.2 B	founder	yes	n.a.
CBS	\$45,384,103	yes	Sumner Redstone	\$6.5 B	builder	yes	79.70
Energy Transfer Equity	\$40,684,091	yes	Kelcy Warren; Ray Davis	\$6.1 B; \$3.1 B	founders	yes (Warren)	16.1; 6.0
Campbell Soup	\$40,681,495	yes	Mary Alice Dorrance Malone; Bennett Dorrance	\$3 B; \$2.1 B	heirs	no	16.9; 14.7
Carlyle Group	\$37,147,927	yes	William Conway Jr; Daniel D'Aniello; David Rubenstein	\$3 B; \$3 B; \$3 B	founder	yes	15.10
News Corp.	\$33,090,399	yes	Rupert Murdoch & family	\$14.2 B	founder	yes	39.40
Bass Pro	\$28,255,677	no	John Morris	\$4.5 B	founder	yes	n.a.
Oaktree Capital Management	\$27,223,411	yes	Bruce Karsh; Howard Marks	\$2 B	founder	yes	13.10
Gap Inc.	\$27,047,886	yes	Doris Fisher; John Fisher; Robert Fisher; William Fisher	\$3.3 B; \$3 B; \$2.1 B; \$2.1 B	founder and heirs	no	7.9; 26.4; Robert and William together 24.3
Meijer	\$24,248,843	no	Hank & Doug Meijer	\$8 B	builder	yes	n.a.
Mars	\$21,708,467	no	Forrest Mars Jr.; Jacqueline Mars; John Mars	\$22 B each	builder	no	n.a.
IAC/InterActiveCorp	\$20,906,771	yes	Barry Diller	\$2.4 B	builder	yes	43.20
Bechtel	\$18,626,831	no	Riley Bechtel; Stephen Bechtel	\$4 B; \$ 4 B	builder	yes	n.a.
Oracle	\$17,815,225	yes	Larry Ellison	\$50 B	founder	no	26.00
Menard	\$17,679,912	no	John Menard Jr	\$7.9 B	founder	yes	n.a.
Charles Schwab Corp.	\$11,464,785	yes	Charles Schwab	\$6.5 B	founder	yes	13.40
Workday	\$11,133,203	yes	David Duffield	\$7.4 B	founder	yes	80.00
Hyatt Hotels	\$10,453,509	yes	Karen Pritzker (and various other family members)	\$4.1 B	heirs	no	7.30
WL Ross & Co.	\$10,069,000	no	Wilbur Ross Jr	\$3 B	founder	yes	n.a.
LyondellBasell Industries	\$9,904,707	yes	Len Blavatnik	\$20.6 B	investor	no	16.40
Danaher	\$9,269,630	yes	Mitchell Rales; Steven Rales	\$3.8 B; \$3.5 B	founders	yes	6.60
Leprino Foods	\$8,932,272	no	James Leprino	\$3 B	builder	yes	n.a.
Continental Resources	\$8,280,454	yes	Harold Hamm	\$18.7 B	founder	yes	67.93
Celgene	\$8,130,814	yes	Patrick Soon-Shiong	\$12 B	investor	no	n.a.
Rich Products	\$7,794,951	no	Robert Rich Jr	\$3 B	builder	yes	n.a.
Flex-N-Gate	\$6,994,987	no	Shahid Khan	\$4.5 B	founder	yes	n.a.

Company	subsidy total	publicly traded	Forbes 400 member	net worth	role ¹³	current CEO or chair	percent ownership
Kinder Morgan	\$6,625,284	yes	Richard Kinder	\$10.7 B	founder	yes	23.60
Ashley Furniture	\$6,599,955	no	Ronald Wanek	\$1.9 B	builder	yes	n.a.
Sierra Pacific Industries ¹⁴	\$6,543,893	no	Archie Aldis Emmerson	\$3.3 B	founder	no	n.a.
Discovery Communications	\$6,155,578	yes	John Malone	\$7.7 B	investor	no	28.90
SAS Institute	\$5,635,297	no	James Goodnight; John Sall	\$7.7 B; \$3.8 B	founders	yes (Goodnight)	66.66 (Goodnight)
Stryker	\$5,260,182	yes	Ronda Stryker	\$3.4 B	builder	no	7.60
Platinum Equity	\$5,202,742	no	Tom Gores	\$3 B	founder	yes	n.a.
Ralph Lauren Corp.	\$5,159,000	yes	Ralph Lauren	\$8 B	founder	yes	81.50
Square Inc.	\$5,000,000	no	Jack Dorsey	\$2.7 B	founder	yes	n.a.
Trump Organization	\$3,655,188	no	Donald Trump	\$4 B	builder	yes	n.a.
Ingram Industries	\$3,382,515	no	Martha Ingram & family	\$3.9 B	Heir	no	n.a.
Kohler	\$3,342,759	no	Herbert Kohler Jr & family	\$5.6 B	builder	yes	n.a.
DISH Network	\$3,315,170	yes	Charles Ergen	\$17.2 B	founder	yes	50.50
Cox Enterprises	\$3,143,467	no	Anne Cox Chambers; Jim Kennedy; Blair Parry-Okeden	\$16.1 B; \$8 B; \$8 B	heirs	no	n.a.
Reyes Holdings	\$3,107,111	no	J. Christopher Reyes; Jude Reyes	\$3.7 B; \$3.7 B	founder	yes	n.a.
Renco	\$2,759,179	no	Ira Rennert	\$6.3 B	founder	yes	n.a.
Starbucks	\$2,521,988	yes	Howard Schultz	\$2.1 B	builder	yes	2.96
Feld Entertainment	\$2,514,400	no	Kenneth Feld & family	\$1.8 B	builder	yes	n.a.
Boston Properties	\$2,508,705	yes	Mortimer Zuckerman	\$2.4 B	founder	yes	4.50
Liberty Media	\$2,496,105	yes	John Malone	\$7.7 B	founder	yes	47.30
Nordstrom	\$2,352,332	yes	Anne Gittinger; Bruce Nordstrom	\$1.6 B; \$1.55 B	heir; heir/builder	no	8.16; 13.84
Oxbow	\$2,282,813	no	William Koch	\$3.3 B	founder	yes	n.a.
EchoStar	\$2,076,827	yes	Charles Ergen	\$17.2 B	founder	yes	43.30
Swagelok	\$2,066,953	no	Catherine Lozick	\$2 B	heir	no	n.a.
Facebook	\$2,000,469	yes	Mark Zuckerberg; Dustin Moskovitz	\$34 B; \$8.1 B	founder; former employee/investor	yes	55.2; 6.9
Renaissance Technologies	\$1,771,750	no	James Simons	\$12.5 B	founder	No	n.a.
Intuit	\$1,618,107	yes	Scott Cook	\$1.85 B	founder	no	4.64
National Gypsum	\$1,588,071	no	Clemmie Spangler Jr	\$2.3 B	builder	yes	n.a.
Dole Food	\$1,560,476	no	David Murdock	\$3 B	builder	yes	n.a.
Paychex	\$1,401,145	yes	Tom Golisano	\$2.1 B	founder	yes	10.40
Garmin	\$1,330,795	yes	Min Kao & family; Gary Burrell	\$2.9 B; \$1.8 B	founders	yes (Kao)	17.28; 14.28
BOK Financial	\$1,266,109	yes	George Kaiser	\$10.6 B	builder	yes	59.40
Carnival Corp.	\$1,218,793	yes	Micky Arison	\$6.4 B	builder	yes	22.40
TD Ameritrade	\$1,115,374	yes	J. Joe Ricketts	\$1.55 B	founder	no	9.10
Public Storage	\$1,114,845	yes	Tamara Gustavson; B. Wayne Hughes	\$3.6 B; \$2.4 B	heir; founder	no	15.7 (family total)
Hostess Brands	\$1,100,941	no	C. Dean Metropoulos	\$2.1 B	investor	yes	n.a.
Allegis Group	\$1,100,000	no	Stephen Bisciotti	\$2.6 B	founder	yes	n.a.
Bloomberg	\$1,000,000	no	Michael Bloomberg	\$35 B	founder	yes	88.00

■ APPENDIX A-2: COMPANIES WITH \$1 MILLION OR MORE IN SUBSIDIES AND LINKED TO MEMBERS OF THE FORBES 400 (ALPHABETICAL)

Sources: subsidy totals are from Subsidy Tracker; net worth figures are from the 2014 Forbes 400 list; ownership percentages for publicly traded companies are from SEC filings (usually proxy statements); other information is from the Forbes list and additional research.

Company	subsidy total	publicly traded	Forbes 400 member	net worth	role ¹³	current CEO or chair	percent ownership
Allegis Group	\$1,100,000	no	Stephen Bisciotti	\$2.6 B	founder	yes	n.a.
Amazon.com	\$418,822,109	yes	Jeff Bezos	\$30.5 B	founder	yes	18.30
Anschutz Company	\$291,503,220	no	Philip Anschutz	\$11.1 B	builder	yes	n.a.
Apollo Global Management	\$93,498,616	yes	Leon Black; Joshua Harris; Marc Rowan	\$5.4 B; \$2.6 B; \$2.5 B	founders	yes	68.80
Apple	\$446,485,233	yes	Laurene Powell Jobs & family; David Geffen	\$16.6 B; \$6.7 B	widow of founder	no	n.a.
Ashley Furniture	\$6,599,955	no	Ronald Wanek	\$1.9 B	builder	yes	n.a.
Bass Pro	\$28,255,677	no	John Morris	\$4.5 B	founder	yes	n.a.
Bechtel	\$18,626,831	no	Riley Bechtel; Stephen Bechtel	\$4 B; \$ 4 B	builder	yes	n.a.
Berkshire Hathaway	\$1,197,218,397	yes	Warren Buffett	\$67 B	builder	yes	39.20
Best Buy	\$87,669,933	yes	Richard Schulze	\$2.6 B	founder	no	17.67
Blackstone	\$206,311,573	yes	Stephen Schwarzman; Hamilton James; Jonathan Gray	\$10.6 B; \$1.7 B; \$1.6 B	founder; president/investor; executive/investor	yes	44.0; 7.0; 8.0
Bloomberg	\$1,000,000	no	Michael Bloomberg	\$35 B	founder	yes	88.00
BOK Financial	\$1,266,109	yes	George Kaiser	\$10.6 B	builder	yes	59.40
Boston Properties	\$2,508,705	yes	Mortimer Zuckerman	\$2.4 B	founder	yes	4.50
Bridgewater Associates	\$115,000,000	no	Ray Dalio	\$15.2 B	founder	yes	80.00
Cablevision Systems	\$48,847,687	yes	Charles Dolan & family	\$3.9 B	founder	yes	72.90
Campbell Soup	\$40,681,495	yes	Mary Alice Dorrance Malone; Bennett Dorrance	\$3 B; \$2.1 B	heir	no	16.9; 14.7
Cargill	\$53,682,616	no	MacMillan Family members	\$3.8 B each	builders	no	n.a.
Carlyle Group	\$37,147,927	yes	William Conway Jr; Daniel D'Aniello; David Rubenstein	\$3 B; \$3 B; \$3 B	founder	yes	15.10
Carnival Corp.	\$1,218,793	yes	Micky Arison	\$6.4 B	builder	yes	22.40
CBS	\$45,384,103	yes	Sumner Redstone	\$6.5 B	builder	yes	79.70
Celgene	\$8,130,814	yes	Patrick Soon-Shiong	\$12 B	investor	no	n.a.
Cerner	\$1,735,819,257	yes	Neal Patterson	\$1.55 B	founder	yes	8.00
Charles Schwab Corp.	\$11,464,785	yes	Charles Schwab	\$6.5 B	founder	yes	13.40
Continental Resources	\$8,280,454	yes	Harold Hamm	\$18.7 B	founder	yes	67.93
Cox Enterprises	\$3,143,467	no	Anne Cox Chambers; Jim Kennedy; Blair Parry-Okeden	\$16.1 B; \$8 B; \$8 B	heirs	no	n.a.
Danaher	\$9,269,630	yes	Mitchell Rales; Steven Rales	\$3.8 B; \$3.5 B	founders	yes	6.60
Discovery Communications	\$6,155,578	yes	John Malone	\$7.7 B	investor	no	28.90
DISH Network	\$3,315,170	yes	Charles Ergen	\$17.2 B	founder	yes	50.50
Dole Food	\$1,560,476	no	David Murdock	\$3 B	builder	yes	n.a.

Company	subsidy total	publicly traded	Forbes 400 member	net worth	role ¹³	current CEO or chair	percent ownership
Ebay	\$94,022,645	yes	Pierre Omidyar	\$8.2 B	founder	yes	8.50
EchoStar	\$2,076,827	yes	Charles Ergen	\$17.2 B	founder	yes	43.30
Energy Transfer Equity	\$40,684,091	yes	Kelcy Warren; Ray Davis	\$6.1 B; \$3.1 B	founders	yes (Warren)	16.1; 6.0
Enterprise Products Partners	\$155,190,017	yes	Randa Williams; Dannine Avara; Scott Duncan; Milane Frantz	\$7 B each	heirs	yes (Randa)	36.90
Facebook	\$2,000,469	yes	Mark Zuckerberg; Dustin Moskovitz	\$34 B; \$8.1 B	founder; former employee/investor	yes	55.2; 6.9
FedEx	\$516,920,687	yes	Frederick Smith	\$3.5 B	founder	yes	7.41
Feld Entertainment	\$2,514,400	no	Kenneth Feld & family	\$1.8 B	builder	yes	n.a.
Fidelity Investments	\$114,987,866	no	Abigail Johnson; Edward Johnson III	\$13.3 B; \$7.3 B	builder	yes (Abigail)	49 (family total)
Flex-N-Gate	\$6,994,987	no	Shahid Khan	\$4.5 B	founder	yes	n.a.
Gap Inc.	\$27,047,886	yes	Doris Fisher; John Fisher; Robert Fisher; William Fisher	\$3.3 B; \$3 B; \$2.1 B; \$2.1 B	founder and heirs	no	7.9; 26.4; Robert and William together 24.3
Garmin	\$1,330,795	yes	Min Kao & family; Gary Burrell	\$2.9 B; \$1.8 B	founders	yes (Kao)	17.28; 14.28
Google	\$751,371,505	yes	Larry Page; Sergey Brin; Eric Schmidt	\$31.5 B; \$31 B; \$9.3 B	founders; builder	yes (Page CEO, Schmidt executive chairman)	28.1; 27.6; 5.5
HCA	\$193,611,490	yes	Thomas Frist Jr & family	\$7.6 B	founder	no	29.10
Hostess Brands	\$1,100,941	no	C. Dean Metropoulos	\$2.1 B	investor	yes	n.a.
Hyatt Hotels	\$10,453,509	yes	Karen Pritzker (and various other family members)	\$4.1 B	heirs	no	7.30
IAC/InterActiveCorp	\$20,906,771	yes	Barry Diller	\$2.4 B	builder	yes	43.20
Icahn Enterprises	\$84,585,753	yes	Carl Icahn	\$26 B	founder	yes	88.00
Ingram Industries	\$3,382,515	no	Martha Ingram & family	\$3.9 B	heir	no	n.a.
Intel	\$5,882,227,425	yes	Gordon Moore	\$7 B	founder and chairman emeritus	no	n.a.
Intuit	\$1,618,107	yes	Scott Cook	\$1.85 B	founder	no	4.64
Kinder Morgan	\$6,625,284	yes	Richard Kinder	\$10.7 B	founder	yes	23.60
KKR	\$56,377,681	yes	George Roberts; Henry Kravis	\$5.1 B; \$5 B	founder	yes	59.10
Koch Industries	\$154,454,449	no	Charles Koch & David Koch	\$42 B each	builder	yes (Charles)	84.00
Kohler	\$3,342,759	no	Herbert Kohler Jr & family	\$5.6 B	builder	yes	n.a.
Leprino Foods	\$8,932,272	no	James Leprino	\$3 B	builder	yes	n.a.
Liberty Media	\$2,496,105	yes	John Malone	\$7.7 B	founder	yes	47.30
LyondellBasell Industries	\$9,904,707	yes	Len Blavatnik	\$20.6 B	investor	no	16.40
MacAndrews & Forbes	\$75,102,381	no	Ronald Perelman	\$14.5 B	founder	yes	n.a.
Mars	\$21,708,467	no	Forrest Mars Jr.; Jacqueline Mars; John Mars	\$22 B each	builder	no	n.a.
Meijer	\$24,248,843	no	Hank & Doug Meijer	\$8 B	builder	yes	n.a.
Menard	\$17,679,912	no	John Menard Jr	\$7.9 B	founder	yes	n.a.

Company	subsidy total	publicly traded	Forbes 400 member	net worth	role ¹³	current CEO or chair	percent ownership
Microsoft	\$203,133,500	yes	Bill Gates; Steve Ballmer	\$81 B; \$22.5 B	founder; builder	no	3.61; 4.04
National Gypsum	\$1,588,071	no	Clemmie Spangler Jr	\$2.3 B	builder	yes	n.a.
News Corp.	\$33,090,399	yes	Rupert Murdoch & family	\$14.2 B	founder	yes	39.40
Nike	\$2,034,690,496	yes	Phil Knight	\$19.9 B	founder	yes	16.20
Nordstrom	\$2,352,332	yes	Anne Gittinger; Bruce Nordstrom	\$1.6 B; \$1.55 B	heir; heir/ builder	no	8.16; 13.84
Oaktree Capital Management	\$27,223,411	yes	Bruce Karsh; Howard Marks	\$2 B	founder	yes	13.10
Oracle	\$17,815,225	yes	Larry Ellison	\$50 B	founder	no	26.00
Oxbow	\$2,282,813	no	William Koch	\$3.3 B	founder	yes	n.a.
Paychex	\$1,401,145	yes	Tom Golisano	\$2.1 B	founder	yes	10.40
Platinum Equity	\$5,202,742	no	Tom Gores	\$3 B	founder	yes	n.a.
Public Storage	\$1,114,845	yes	Tamara Gustavson; B. Wayne Hughes	\$3.6 B; \$2.4 B	heir; founder	no	15.7 (family total)
Quicken Loans	\$47,547,182	no	Daniel Gilbert	\$4.2 B	founder	yes	n.a.
Ralph Lauren Corp.	\$5,159,000	yes	Ralph Lauren	\$8 B	founder	yes	81.50
Renaissance Technologies	\$1,771,750	no	James Simons	\$12.5 B	founder	No	n.a.
Renco	\$2,759,179	no	Ira Rennert	\$6.3 B	founder	yes	n.a.
Reyes Holdings	\$3,107,111	no	J. Christopher Reyes; Jude Reyes	\$3.7 B; \$3.7 B	founder	yes	n.a.
Rich Products	\$7,794,951	no	Robert Rich Jr	\$3 B	builder	yes	n.a.
SAS Institute	\$5,635,297	no	James Goodnight; John Sall	\$7.7 B; \$3.8 B	founders	yes (Goodnight)	66.66 (Goodnight)
Sears	\$535,988,568	yes	Edward Lampert	\$3.1 B	builder	yes	48.50
Sierra Pacific Industries ¹⁴	\$6,543,893	no	Archie Aldis Emmerson	\$3.3 B	founder	no	n.a.
Silver Lake (Dell portion)	\$477,733,356	no	Michael Dell	\$17.7 B	founder	yes (at Dell)	75.00
Simon Property	\$187,000,000	yes	Herbert Simon	\$2.3 B	founder	no	6.91
Square Inc.	\$5,000,000	no	Jack Dorsey	\$2.7 B	founder	yes	n.a.
Starbucks	\$2,521,988	yes	Howard Schultz	\$2.1 B	builder	yes	2.96
Stryker	\$5,260,182	yes	Ronda Stryker	\$3.4 B	builder	no	7.60
Swagelok	\$2,066,953	no	Catherine Lozick	\$2 B	heir	no	n.a.
TD Ameritrade	\$1,115,374	yes	J. Joe Ricketts	\$1.55 B	founder	no	9.10
Tesla Motors	\$1,287,647,626	yes	Elon Musk	\$10.3 B	founder	yes	27.00
TPG Capital	\$76,641,042	no	David Bonderman; James Coulter	\$2.6 B	founders	yes (Bonderman)	n.a.
TRT Holdings	\$128,200,000	no	Robert Rowling	\$6 B	investor	no	n.a.
Trump Organization	\$3,655,188	no	Donald Trump	\$4 B	builder	yes	n.a.
Twenty-First Century Fox	\$77,265,202	yes	Rupert Murdoch & family	\$14.2 B	builder	yes	39.40
Viacom	\$101,745,349	yes	Sumner Redstone	\$6.5 B	founder	yes	79.30
Wal-Mart Stores	\$160,993,282	yes	Walton Family (6 members)	4 richest are worth \$34.8 B to \$38 B each	heir	yes (S. Robson)	50.25 (family total)
Walt Disney	\$413,290,794	yes	Laurene Powell Jobs & family	\$16.6 B	investor	no	7.50
WL Ross & Co.	\$10,069,000	no	Wilbur Ross Jr	\$3 B	founder	yes	n.a.
Workday	\$11,133,203	yes	David Duffield	\$7.4 B	founder	yes	80.00
Yahoo	\$261,990,314	yes	David Filo	\$3.3 B	founder	no	7.00

■ APPENDIX B-1: LARGE LOW-WAGE EMPLOYERS WITH \$1 MILLION OR MORE IN SUBSIDIES

(See Appendix B-2 for another version of the table with the companies listed in alphabetical order.)

Sources: Subsidy Tracker and Good Jobs First research.

Company	Sector	Subsidy Total	Number of Awards
Sears	retail-department stores	\$535,988,568	63
Amazon.com	retail-internet	\$418,822,109	49
Cabela's	retail-hunting & fishing	\$247,189,539	16
Convergys	business services-call centers	\$201,790,810	32
Starwood Hotels & Resorts	hospitality-hotels	\$165,904,767	20
Wal-Mart Stores	retail-discount stores	\$160,993,282	284
Lowe's	retail-home improvement	\$138,958,458	129
Tyson Foods	meat/poultry processing	\$128,713,426	144
CVS Health	retail-pharmacies	\$114,359,481	133
Target	retail-discount stores	\$107,949,139	150
Kohl's	retail-department stores	\$104,528,931	46
RadioShack	retail-electronics	\$96,027,285	60
Wakefern Food	retail-supermarkets	\$92,250,000	24
Best Buy	retail-consumer electronics	\$87,669,933	37
Home Depot	retail-home improvement	\$42,824,763	97
Family Dollar Stores	retail-discount stores	\$40,078,391	159
Royal Ahold	retail-supermarkets	\$37,203,669	19
Ascena Retail Group	retail-apparel	\$34,694,984	33
Dollar Tree	retail-discount stores	\$29,246,951	50
Perdue	meat/poultry processing	\$29,207,736	31
Bass Pro Shops	retail-hunting & fishing	\$28,255,677	44
Smithfield Foods	meat/poultry processing	\$25,889,257	38
Meijer	retail-supermarkets	\$24,248,843	18
Abercrombie & Fitch	retail-apparel	\$23,251,263	17
Macy's	retail-department stores	\$21,005,616	59
Gordon Food Service	hospitality-foodservice	\$18,981,327	20
Sanderson Farms	meat/poultry processing	\$18,872,371	10
Menard	retail-home improvement	\$17,679,912	31
Publix Super Markets	retail-supermarkets	\$17,610,638	4
Marriott International	hospitality-hotels	\$16,209,910	25
Office Depot	retail-office supplies	\$15,102,573	62
Cintas	business services-uniforms etc.	\$14,814,070	39
Advance Auto Parts	retail-auto parts	\$13,840,180	112
Walgreen	retail-pharmacies	\$13,612,896	234
Dollar General	retail-discount stores	\$13,155,082	50
Dick's Sporting Goods	retail-sporting goods	\$12,390,758	17
Aramark	hospitality-foodservice	\$10,810,607	35

Company	Sector	Subsidy Total	Number of Awards
Bed Bath & Beyond	retail-housewares	\$10,385,041	14
Kindred Healthcare	nursing homes	\$9,269,622	15
Chico's FAS	retail-apparel	\$7,503,160	10
TJX	retail-apparel	\$7,459,472	41
Hy-Vee	retail-supermarkets	\$7,251,955	10
Staples	retail-office supplies	\$6,568,917	47
Darden Restaurants	hospitality-restaurants	\$5,969,060	36
Sheetz	retail-convenience stores	\$5,878,200	7
Brown Shoe	retail-apparel	\$5,767,652	12
Genesco	retail-apparel	\$5,715,850	4
Tops Markets	retail-supermarkets	\$5,659,426	18
Rite Aid	retail-pharmacies	\$5,204,894	121
Maines Paper & Food Service	hospitality-foodservice	\$4,929,235	34
Wyndham Worldwide	hospitality-hotels	\$4,887,498	4
Golub	retail-supermarkets	\$4,706,234	35
Host Hotels & Resorts	hospitality-hotels	\$4,643,414	10
Wendy's	hospitality-restaurants	\$4,619,960	15
American Eagle Outfitters	retail-apparel	\$4,598,279	12
Seaboard	meat/poultry processing	\$4,526,818	2
McDonald's	hospitality-restaurants	\$3,978,824	42
GEO Group	private prisons	\$3,902,288	5
PetSmart	retail-pet products	\$3,675,914	35
AutoZone	retail-auto parts	\$3,344,690	132
Fred's Inc.	retail-discount stores	\$2,725,339	3
Giant Eagle	retail-supermarkets	\$2,610,000	5
Barnes & Noble	retail-books	\$2,350,297	14
Golden Living	nursing homes	\$2,167,056	2
Ross Stores	retail-apparel	\$2,144,655	8
Safeway	retail-supermarkets	\$2,131,923	83
Compass Group	hospitality-foodservice	\$2,124,747	5
Western Refining	retail-convenience stores	\$2,104,686	2
West Corporation	business services-call centers	\$2,103,817	15
Williams-Sonoma	retail-housewares	\$2,065,346	20
J.C. Penney	retail-department stores	\$2,052,543	22
Cheesecake Factory	hospitality-restaurants	\$1,784,047	1
Express Inc.	retail-apparel	\$1,753,650	8
Ulta Salon Cosmetics & Fragrances	retail-miscellaneous	\$1,482,428	7
Schnuck Markets	retail-supermarkets	\$1,453,407	2
BI-LO Holdings	retail-supermarkets	\$1,435,875	7
Men's Warehouse	retail-apparel	\$1,434,000	8
Genesis HealthCare	nursing homes	\$1,351,077	44
Bon-Ton Stores	retail-department stores	\$1,266,604	3
Corrections Corporation of America	private prisons	\$1,247,296	32

Company	Sector	Subsidy Total	Number of Awards
Toys R Us	retail-miscellaneous	\$1,123,642	17
Aeropostale	retail-apparel	\$1,102,500	5
Allegis Group	business services-staffing	\$1,100,000	11
Adecco Group	business services-staffing	\$1,076,509	11
Delhaize	retail-supermarkets	\$1,070,807	5
GNC Holdings	retail-miscellaneous	\$1,050,564	2
Ingles Markets	retail-supermarkets	\$1,046,374	9

■ APPENDIX B-2: LARGE LOW-WAGE EMPLOYERS WITH \$1 MILLION OR MORE IN SUBSIDIES (ALPHABETICAL)

Sources: Subsidy Tracker and Good Jobs First research.

Company	Sector	Subsidy Total	Number of Awards
Abercrombie & Fitch	retail-apparel	\$23,251,263	17
Adecco Group	business services-staffing	\$1,076,509	11
Advance Auto Parts	retail-auto parts	\$13,840,180	112
Aeropostale	retail-apparel	\$1,102,500	5
Allegis Group	business services-staffing	\$1,100,000	11
Amazon.com	retail-internet	\$418,822,109	49
American Eagle Outfitters	retail-apparel	\$4,598,279	12
Aramark	hospitality-foodservice	\$10,810,607	35
Ascena Retail Group	retail-apparel	\$34,694,984	33
AutoZone	retail-auto parts	\$3,344,690	132
Barnes & Noble	retail-books	\$2,350,297	14
Bass Pro Shops	retail-hunting & fishing	\$28,255,677	44
Bed Bath & Beyond	retail-housewares	\$10,385,041	14
Best Buy	retail-consumer electronics	\$87,669,933	37
BI-LO Holdings	retail-supermarkets	\$1,435,875	7
Bon-Ton Stores	retail-department stores	\$1,266,604	3
Brown Shoe	retail-apparel	\$5,767,652	12
Cabela's	retail-hunting & fishing	\$247,189,539	16
Cheesecake Factory	hospitality-restaurants	\$1,784,047	1
Chico's FAS	retail-apparel	\$7,503,160	10
Cintas	business services-uniforms etc.	\$14,814,070	39
Compass Group	hospitality-foodservice	\$2,124,747	5
Convergys	business services-call centers	\$201,790,810	32
Corrections Corporation of America	private prisons	\$1,247,296	32
CVS Health	retail-pharmacies	\$114,359,481	133
Darden Restaurants	hospitality-restaurants	\$5,969,060	36

Company	Sector	Subsidy Total	Number of Awards
Delhaize	retail-supermarkets	\$1,070,807	5
Dick's Sporting Goods	retail-sporting goods	\$12,390,758	17
Dollar General	retail-discount stores	\$13,155,082	50
Dollar Tree	retail-discount stores	\$29,246,951	50
Express Inc.	retail-apparel	\$1,753,650	8
Family Dollar Stores	retail-discount stores	\$40,078,391	159
Fred's Inc.	retail-discount stores	\$2,725,339	3
Genesco	retail-apparel	\$5,715,850	4
Genesis HealthCare	nursing homes	\$1,351,077	44
GEO Group	private prisons	\$3,902,288	5
Giant Eagle	retail-supermarkets	\$2,610,000	5
GNC Holdings	retail-miscellaneous	\$1,050,564	2
Golden Living	nursing homes	\$2,167,056	2
Golub	retail-supermarkets	\$4,706,234	35
Gordon Food Service	hospitality-foodservice	\$18,981,327	20
Home Depot	retail-home improvement	\$42,824,763	97
Host Hotels & Resorts	hospitality-hotels	\$4,643,414	10
Hy-Vee	retail-supermarkets	\$7,251,955	10
Ingles Markets	retail-supermarkets	\$1,046,374	9
J.C. Penney	retail-department stores	\$2,052,543	22
Kindred Healthcare	nursing homes	\$9,269,622	15
Kohl's	retail-department stores	\$104,528,931	46
Lowe's	retail-home improvement	\$138,958,458	129
Macy's	retail-department stores	\$21,005,616	59
Maines Paper & Food Service	hospitality-foodservice	\$4,929,235	34
Marriott International	hospitality-hotels	\$16,209,910	25
McDonald's	hospitality-restaurants	\$3,978,824	42
Meijer	retail-supermarkets	\$24,248,843	18
Menard	retail-home improvement	\$17,679,912	31
Men's Warehouse	retail-apparel	\$1,434,000	8
Office Depot	retail-office supplies	\$15,102,573	62
Perdue	meat/poultry processing	\$29,207,736	31
PetSmart	retail-pet products	\$3,675,914	35
Publix Super Markets	retail-supermarkets	\$17,610,638	4
RadioShack	retail-electronics	\$96,027,285	60
Rite Aid	retail-pharmacies	\$5,204,894	121
Ross Stores	retail-apparel	\$2,144,655	8
Royal Ahold	retail-supermarkets	\$37,203,669	19
Safeway	retail-supermarkets	\$2,131,923	83
Sanderson Farms	meat/poultry processing	\$18,872,371	10
Schnuck Markets	retail-supermarkets	\$1,453,407	2
Seaboard	meat/poultry processing	\$4,526,818	2
Sears	retail-department stores	\$535,988,568	63

Company	Sector	Subsidy Total	Number of Awards
Sheetz	retail-convenience stores	\$5,878,200	7
Smithfield Foods	meat/poultry processing	\$25,889,257	38
Staples	retail-office supplies	\$6,568,917	47
Starwood Hotels & Resorts	hospitality-hotels	\$165,904,767	20
Target	retail-discount stores	\$107,949,139	150
TJX	retail-apparel	\$7,459,472	41
Tops Markets	retail-supermarkets	\$5,659,426	18
Toys R Us	retail-miscellaneous	\$1,123,642	17
Tyson Foods	meat/poultry processing	\$128,713,426	144
Ulta Salon Cosmetics & Fragrances	retail-miscellaneous	\$1,482,428	7
Wakefern Food	retail-supermarkets	\$92,250,000	24
Walgreen	retail-pharmacies	\$13,612,896	234
Wal-Mart Stores	retail-discount stores	\$160,993,282	284
Wendy's	hospitality-restaurants	\$4,619,960	15
West Corporation	business services-call centers	\$2,103,817	15
Western Refining	retail-convenience stores	\$2,104,686	2
Williams-Sonoma	retail-housewares	\$2,065,346	20
Wyndham Worldwide	hospitality-hotels	\$4,887,498	4

ENDNOTES

- 1 The database can be found at <http://www.goodjobsfirst.org/subsidy-tracker>.
- 2 Here, as in our Subsidy Tracker, we exclude the financial assistance received by owners of professional sports teams in the form of subsidized stadiums and arenas. We agree with the long-standing left-right academic consensus and do not regard this dubious form of spending by governments as economic development.
- 3 *Big Business, Corporate Profits, and the Minimum Wage* (National Employment Law Project, July 2012); online at <http://www.nelp.org/page/-/rtmw/NELP-Big-Business-Corporate-Profits-Minimum-Wage.pdf>.
- 4 David Lada et al., “Self-Made or Silver Spoon?” *Forbes*, October 20, 2014, p.134; a slightly different version is online at <http://www.forbes.com/sites/afontevetchia/2014/10/02/the-new-forbes-400-self-made-score-from-silver-spooners-to-boostrappers/>. There are also differences between the print and online versions of the list itself; in this report we use figures from the print version.
- 5 <http://www.epi.org/publication/2013-workers-share-income-corporate-sector/>
- 6 Philip Mattera et al., *Money for Something: Job Creation and Job Quality Standards in State Economic Development Subsidy Programs* (Good Jobs First, December 2011); online at <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/moneyforsomething.pdf>
- 7 Philip Mattera and Anna Purinton, *Shopping for Subsidies: How Wal-Mart Uses Tax Money to Finance Its Never-Ending Growth* (Good Jobs First, May 2004); online at <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/wmtstudy.pdf>
- 8 Wal-Mart Subsidy Watch can be found at <http://walmart-subsidywatch.org/>. Many of the larger subsidy packages in that compilation were technically awarded to shopping center developers, but because Wal-Mart was the anchor tenant and stood to gain from lower lease rates as a result of the subsidies, we attributed those awards to the company. Also relevant was Wal-Mart’s relationship with those developers, especially THF Realty, whose principals had close business and family ties to the giant retailer.
- 9 The Megadeals portion of Subsidy Tracker includes information from sources other than official listings, but none of Wal-Mart’s deals met the \$60 million threshold used in defining Megadeals. For more on Megadeals, see <http://www.goodjobsfirst.org/megadeals>.
- 10 For example, our in-depth study of subsidies given to Nissan in Mississippi showed that the true cost was about \$1.3 billion, compared to a figure of about \$300 million reported when the deal was announced (because that was the up-front sum authorized by a special vote of the state legislature). See *A Good Deal for Mississippi? A Report on Taxpayer Assistance to Nissan in Canton, Mississippi* (Good Jobs First, May 2013); online at http://www.goodjobsfirst.org/sites/default/files/docs/pdf/nissan_report.pdf
- 11 For a summary of our six studies on the geography of economic development subsidy awards, see: <http://www.goodjobsfirst.org/smart-growth-working-families/subsidies-and-sprawl>
- 12 Alyssa Talanker and Kate Davis, *Straying from Good Intentions: How States are Weakening Enterprise Zone and Tax Increment Financing Programs* (Good Jobs First, August 2003), online at: <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/straying.pdf>
- 13 The term “builder” is used to refer to those individuals who took over a company founded by someone else and expanded its scope. “Heirs” are those who inherited an ownership stake in a company but did not play a significant role in its growth. These designations are assigned based on the information in the Forbes 400 list and other research by Good Jobs First.
- 14 Includes some subsidy amounts collected but not yet added to Subsidy Tracker.

**GOOD
JOBS
FIRST**

goodjobsfirst.org