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LABOR DAY REPORT: TAX-FAIRNESS GROUP CONTRASTS STARBUCKS' ANTI-UNION TACTICS WITH EXPLODING WEALTH OF CORPORATION AND CEO HOWARD SCHULTZ

WASHINGTON, D.C. – As the country prepares to celebrate its national holiday in honor of working people this Labor Day, a new report from Americans for Tax Fairness contrasts the super-sized gains in profitability and fortune of Starbucks and its billionaire CEO, Howard Shultz, with the bareknuckle tactics they're employing to fight their low-wage workers' union organizing efforts.

The report, "[Billion-Dollar Union Busters: Starbucks & Its Rich CEO Are Stifling Worker Organizing](#)," calls on Congress to pass legislation that would end the ability of Starbucks and other corporations to write off union-busting expenses on their taxes, shifting the cost of their dirty work to American taxpayers. The report also calls on Congress to enact tax reforms that would leave corporations and their billionaire CEOs less money to pursue their anti-union campaigns.

Key findings of the report include:

- Schultz's **personal fortune increased by nearly \$1 billion** during the COVID pandemic, leaping to nearly \$4 billion today. Over the last decade his wealth has increased by about \$640,000 a day on average, or more money in a single day than most of his store employees are likely to make from Starbucks in a lifetime.
- **Starbucks' effective federal income tax rate was slashed from 28% to 18%** after it got a massive corporate tax cut from President Trump and Congressional Republicans in 2017. In 2020 and 2018, Starbucks only paid an effective federal tax rate of 5.8% and 3.3%, respectively.
- **Starbucks' CEO compensation last year was almost 1,600 times more than the average Starbucks employee**, the 11th worst CEO-to-worker pay ratio among the S&P 500. Starbucks' board of directors have essentially awarded themselves millions of dollars in corporate stock and approved \$12 billion in corporate stock buybacks in recent years, mostly benefiting themselves and other wealthy shareholders. Meanwhile, **Starbucks workers saw their current median income of \$12,400 rise by less than \$300 last year, a 2.3% raise** that failed to keep pace with the 5.8% inflation rate.

- Despite \$4.1 billion in 2021 profits, Starbucks no-holds-barred efforts to prevent their workers from organizing have included improperly firing leading organizers and effectively “bribing” workers not to join unions. **Legislation in Congress would end taxpayer subsidies of the kind of union-busting efforts Starbucks is now pursuing.** The **No Tax Breaks for Union Busting Act ([S.4192](#) / [H.R.8448](#))** would prevent corporations from deducting the cost of pressure tactics intended to dissuade their employees from organizing for better pay and benefits, thus making union-busting more expensive for employers.

Corporations spend at least [\\$340 million a year](#) on anti-union activities, which they can write off when calculating their taxes. These union-busting activities include pressure tactics, hiring anti-union consultants, anti-union advertising, so-called “captive audience meetings,” and even violations of the National Labor Relations Act.

“The ruthless union-busting strategy used by Starbucks and its billionaire CEO is a perfect example of how far wealthy corporations are willing to go to keep their profits concentrated in just a few hands,” said **ATF’s Zachary Tashman**, the report’s principal author. “Congress should pass the No Tax Breaks for Union Busting Act to end the public subsidizing of anti-worker activities, and require that corporations and their billionaire owners pay a fairer share of taxes, leaving them with less money to interfere with the rights of workers.”

“Working people built America. There would be no Starbucks without the thousands of employees who show up to work, including during the pandemic,” said **Rep. Donald Norcross (D-NJ)**, House sponsor of the No Tax Breaks for Union Busting Act, which has 106 cosponsors. “But our tax code favors corporate bosses at the expense of working people. Wealthy CEOs shouldn’t be rewarded with American tax dollars for crushing their employees. We need to pass bills like the No Tax Breaks for Union Busting Act to level the playing field for workers.”

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