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14 November 2019

Dear Representative Lee, Representative Tlaib, & Senator Sanders,

We write in support of your Tax Excessive CEO Pay Act. We are confident that this salutary legislation will begin the process of restoring balance to our productive arrangements and broader economy. This it will do by reversing a pernicious trend that has been underway for some 40 years - precisely the period in which our working and middle classes have been hollowing out. That is the trend of ever-increasing wealth and income concentration at the top of the national distribution, and the draining of wealth and income from below.

Many Americans are aware of the nation's extremes of income and wealth inequality, which have now reached their worst states in our nation's recorded economic history. Indeed it would be impossible *not* to be aware of this crisis, so prominent has it been since the financial and macroeconomic calamities of 2008 and after. Fewer Americans, however, seem to be fully aware of the *causal role* played by worsening inequality in sowing the seeds, and worsening the effects, of that crash - or of the role played by executive officer / non-managerial pay differentials in both manifesting and generating that grotesque maldistribution.

During the New Deal and Second World War eras, and for over three decades thereafter, ratios of top to average pay rates in our economy seldom breached 30 to 1. Indeed between 20 and 30 to 1 was the norm. During this same period wealth and income inequality were at their lowest rates in our history, and the nation as a whole - top, bottom, and very broad middle - enjoyed unprecedented financial stability and productive prosperity. The proverbial 'rising tide' *did* 'lift all boats,' precisely because everyone pumped in the water and everyone had a boat.

The early 1980s changed all of that. Changes to tax, trade and labor laws smashed up the balance between labor and capital so carefully crafted and kept for the 50 years prior. This meant that income and wealth were steadily redistributed from workers to company owners. And since 'money talks,' it meant that *financial* metrics - the numbers that matter to the holders of massive corporate wealth - displaced *productive* metrics as figures of interest to media and policymakers alike. The nation's economy, in short, 'financialized.'

The explosion of CEO, CFO, and other executive officer pay was part and parcel of this degeneration of the American economy from productive and labor-rewarding activity to stock-manipulating, bubble-blowing games of the rich and powerful. And the relation was symbiotic: Pay gaps are *cause and effect* of the decline.

Pay gaps are *effects* of the decline in that holders of massive portfolios of stock care more about short-term share price - the measure of their (paper) 'wealth' - than about American workers, their families, their towns or their environmental surroundings, and accordingly hire CEOs, CFOs, and others who are good at manipulating short-term stock prices. These officers command a premium because there are few of them, and with so much wealth stripped from workers, concentrated shareholders can readily afford to pay these comparatively small numbers of top executives. Pay gaps are *causes* of our decline, in turn, because they encourage the CEOs, CFOs, and other executive officers to *continue* to strip wealth from workers and *continue* to inflate short-term, bubble-blowing share prices instead of long-term investing in workers, communities, productive improvements and other inputs to *real* – not merely *financial* - wealth.

And so we continue, with working Americans worse and worse off, the ultra-rich few and their CEO mercenaries ever more wealthy on paper, and the nation's institutions, environment, and real wealth ever more diminished in actuality. The 2008 crash was but a warning - the next crash will be existential.

This is where your Tax Excessive CEO Pay Act comes into the picture. By short-circuiting the spiral of ever-wider pay gaps followed by economic decline followed by yet wider pay gaps ... and so on, your legislation will *end* and begin to *reverse* the downward spiral. By sending a message economy-wide that 'business as usual' will no longer do, moreover, your legislation bids fair to jumpstart a broader national discussion about where our economy has gone wrong and what we can do about it.

In conjunction with the Too Big to Fail, Too Big to Exist Act, the Stop WALMART Act, and so many other measures that you have put forward or supported, in fact, this legislation can begin the process of truly restoring and reconstituting an economy that works for us all - as well as for our country and planet.

We hope you will not hesitate to ask us if we can help in any way to get the message out and help articulate the full economic and social significance of this legislation. And above all, we thank you for leading on this critically important yet still under-discussed challenge to our economy, our society, and our environment.

Yours sincerely,

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