

OPEN LETTER

January 15, 2020

Chairperson Mike McGuire
Senate Governance and Finance Committee
State Capitol
Sacramento, CA 95814

Re: SB 37: Corporate Fair Share for California and Californians – Support

We, the undersigned, are pleased to support Senate Bill 37, which would create a desperately needed incentive for corporations to rein in the exorbitant executive pay of their Chief Executive Officers. We have seen far too many stories of corporations hoarding record profits in the C-suite while average employees can barely afford to make ends meet, and virtually no stories of these corporations voluntarily doing anything to address such shameful inequity. It is time for the state of California to intervene, and SB 37 is the first step.

SB 37 increases the corporation tax from 8.84% to 10.84% for corporations with a net income of over \$10 million in California, and also gradually increasing the tax based on the corporation pay ratio between the CEO and its employees.

Corporate profits have skyrocketed to an all-time high, and yet worker wages have barely budged. These same profitable corporations have also just reaped the benefits of a massive windfall from Trump's 2017 tax cut. In spite of such tremendous gains, the portion of tax paid by corporations to the state of California is at nearly its lowest point in 40 years. This is absurd.

A full [86 percent](#) of Americans think CEOs are overpaid. At a time when inequality is reaching destabilizing levels, it is particularly disturbing that the California Chamber of Commerce would cynically attempt to paint this legislation as a “job killer.” The only jobs this bill might cost are those of a few overpaid CEOs, once the public is fully aware of the connection between their own poverty and C-Suite excesses.

Such deliberate attempts to hoard record-breaking wealth are particularly unconscionable when California is struggling to fully fund its schools, programs for children, higher education, and other essential services.

SB 37 will allow California to modestly address the challenges wrought by the state's monstrous wage inequality. We are pleased to offer our support, and urge all lawmakers to prioritize the needs of millions of working Californians instead of only us wealthy few.

Sincerely,

THE SIGNERS

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Alec Bash
Former President of
DemocracyAction

Lenny Beer

Tom Bennigson
President of the Tikva
Grassroots Empowerment
Fund

Jackie Boberg
Patriotic Millionaire

Richard Boberg
Entrepreneur

Tony Crabb
Chartered Engineer

Alan Davis
Director of WhyNot
Initiative

Susan Dietz
President, Canon Theatricals

Christian Ettinger
Political and Philanthropic
Strategist

Andrew Faulk
Doctor

Richard Foos
Executive Chair of
Shout Factory

Ron Garret
Investor, Entrepreneur,
Software Engineer

Nancy Garret
Author, Activist

Blaine Garst
Founder, The Planet
Earth Society

Ellyn Gelson
Patriotic Millionaire

Barbara Grasseschi
Former Sales Executive;
Co-owner of Puma Springs
Vineyards

Karen Grove
Philanthropic Activist

Eva Grove
Founder of the Grove
Foundation, Activist

Lawrence Hess
President of Lehbros Limited,
Inc.

Frank Jernigan
Former Google
Software Engineer

Felix Kramer
Writer, Entrepreneur,
Climate Advocate

Pernille Lopez
Former President and CEO
of IKEA North America

Diane Meyer Simon
President, Global
Green USA

Bill Mutterperl
Former Vice Chairman,
PNC Financial Group

Frank Patitucci
CEO & Owner,
NuCompass Mobility

Dorine Real
Entrepreneur

Guy Saperstein
Former Attorney

Susan Sheu
Writer, Editor, and Science/
Public Health Advocate

Steve Silberstein
Entrepreneur

Charlie Simmons
Retired

Karen Stewart
Former Certified
Financial Planner

Faye Straus
Co-founder, Firedoll
Foundation

Sandor Straus
Co-founder, Firedoll
Foundation

Arthur Strauss
Dr. and UCI College of
Medicine

Roy Ulrich
Retired

Dale Walker
Retired Financial
Services Executive

Andrew Wilder
Website Support Agency
Owner

Matty Wilder
Foundation Program Officer

Carol Winograd
Professor Stanford

Terry Winograd
Professor Emeritus Stanford

Bennet Yee
Software Engineer

Amy Ziering
Director & Producer

George Zimmer
Founder, Generation Tux
& Men's Wearhouse