

Subsidizing the Corporate One Percent:

Subsidy Tracker 2.0 Reveals Big-Business Dominance of State and Local Development Incentives

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As a result of substantial enhancements Good Jobs First has made to our [Subsidy Tracker](#) database, it is possible for the first time to estimate the share of total state and local economic development awards going to big business. The data show a very high degree of concentration: we estimate that at least 75 percent of cumulative disclosed subsidy dollars have gone to just 965 large corporations, even though these companies account for only about 10 percent of the number of announced awards.

We can also for the first time identify which companies have received the most cumulative awards, both in dollar terms and number of awards. In dollar terms, the biggest recipient by far is Boeing, with a total of more than \$13 billion, reflecting the giant deals it has gotten in Washington and South Carolina as well as more than 130 smaller deals around the country. The others at the top of the cumulative subsidy dollar list are: Alcoa (\$5.6 billion), Intel (\$3.9 billion), General Motors (\$3.5 billion) and Ford Motor (\$2.5 billion). A total of 17 companies have received cumulative subsidy awards worth more than \$1 billion; 182

have received awards of \$100 million or more. (See table below for a list of the top 100.)

These awards have gone not only to the corporate parents but also to their divisions and subsidiaries. For example, subsidy awards worth more than \$1 billion have been given to Warren Buffett's Berkshire Hathaway by way of its holdings such as Geico, NetJets, Nebraska Furniture Mart, General Re Corporation, Lubrizol Advanced Materials, and Webb Wheel Products.

Big Business Parents of Subsidy Recipients Identified So Far: 965

Total number of subsidy awards associated with these parents: 25,000

Total value (as known) of the awards received by these companies: \$110 billion

Value of those awards as a portion of total value of Subsidy Tracker universe: 75 percent

The company with the largest *number* of awards is Dow Chemical, with 416. Following it are Berkshire Hathaway (310), General Motors (307), Wal-Mart Stores (261), General Electric (255), Walgreen (225) and FedEx (222). Forty-eight companies have received more than 100 individual awards. The award numbers include some for which no dollar amount has been disclosed (reflecting the inconsistent quality of state and local disclosure).

These totals and many more have just been made possible by a painstaking, several-month effort to link the data on individual subsidy awards we collect from state and local agencies to their respective corporate parents (the agencies almost never provide this information). Using a variety of sources (such as the [Croctail](#) compilation of the subsidiary lists which publicly traded companies are required to include in their 10-K filings with the Securities and Exchange Commission), we have matched more than 25,000 of the individual entries in Subsidy Tracker to 965 parents. These awards together account for \$110 billion, or about 75 percent of the total value of the Tracker universe.

To cover the greatest number of deals as quickly as possible, our matching process focused first on subsidies

awarded to units and subsidiaries of large corporations. The 965 parents we currently cover come from examining all the companies on the following lists: the Fortune 500, the Fortune Global 500, the Forbes list of the (224) largest private companies in the United States, and the *Private Equity International* list of the 50 largest private equity firms. We have also matched a portion (the top 150) of the Fortune Second 500 list.

In addition, we identified parents for many of the largest remaining subsidy awards, including all the entries in our May 2013 [Megadeals](#) report, which catalogued all 240 subsidy deals worth \$75 million or more in U.S. history. We will add more parent coverage in the future, but for now the roughly 1,300 companies we have checked represent a good proxy for big business. Nearly three-quarters of these companies were found to have received at least one subsidy award; the rate would be even higher if we were to exclude the numerous companies on the Fortune Global 500 that do not operate in the United States.

Among the 965 parents we identified as subsidy recipients, the average number of awards is 26 and the average total dollar amount (from awards for which this information is disclosed) is \$102 million. The

aggregate value of their awards—\$110 billion—is 74.8 percent of the total value of the Subsidy Tracker universe. The parent companies on the Fortune 500 alone account for more than 16,000 subsidy awards worth \$63 billion, or about 43 percent of total Tracker dollars.

The list of most-subsidized parent companies overlaps considerably with the companies in our Megadeals report, which focused on the largest individual deals as opposed to the largest amounts by company we are examining here. Among those on the new list of 100 Top Parents, 89 are linked to at least one Megadeal. That is, only 11 had no individual deal worth \$75 million or more.

Given the decline of manufacturing in the United States, it is interesting that the list of top parent companies is dominated by industrial firms. Of the ten biggest recipients, only one – Cerner – is primarily a service provider. As for specific industries, auto is well represented, with GM, Ford, Fiat (which now owns Chrysler) and Nissan in the top ten. Toyota is no. 16 and Volkswagen is no. 22. Other heavy industries represented include aerospace (Boeing, no.1),

semiconductors (Intel, no.3), petroleum (Royal Dutch Shell, no.7), chemicals (Dow, no.12) and steel (ArcelorMittal, no.13).

Also significant is the presence of foreign-based corporations. There are three in the top ten (Fiat, Royal Dutch Shell and Nissan) and another five in the next 15. Since we include private equity firms as big-business parents, the list includes several of those firms. The most-subsidized is Silver Lake Partners, which now controls the computer company Dell and thus has Dell’s Megadeals in North Carolina and Tennessee attributed to it.

Although our parent company matching is a work in progress, one conclusion is already clear: large corporations account for an overwhelming share of the tax breaks and cash grants state and local governments have given out in the name of job creation. Our Megadeals study also found that since 2008, the number and cost of megadeals has spiked, even as the total number of new development deals has remained depressed. That is, both our new findings our Megadeals study clearly suggest a “corporate rich getting richer” trend.

SUBSIDY TRACKER 2.0 TOP 100 PARENT COMPANIES

#	Parent Company	Subsidy Value	Number of Subsidies	#	Parent Company (continued)	Subsidy Value	Number of Subsidies
1	Boeing	\$13,174,075,797	137	51	Community Health Systems	\$355,703,779	94
2	Alcoa	\$5,635,305,059	91	52	Aker Philadelphia Shipyard	\$350,000,000	1
3	Intel	\$3,867,492,085	58	53	H&R Block	\$341,317,824	9
4	General Motors	\$3,494,237,703	307	54	Exxon Mobil	\$340,271,846	71
5	Ford Motor	\$2,522,304,454	173	55	United Continental	\$337,081,638	20
6	Fiat	\$2,060,988,039	93	56	Amazon.com	\$330,756,147	39
7	Royal Dutch Shell	\$2,038,202,298	66	57	LG	\$327,082,717	14
8	Nike	\$2,024,582,002	23	58	Duke Energy	\$325,877,242	15
9	Nissan	\$1,799,585,041	25	59	Revel AC	\$323,000,000	2
10	Cerner	\$1,732,784,334	15	60	Samsung	\$317,148,838	17
11	Cheniere Energy	\$1,693,646,504	10	61	Huntington Ingalls Industries	\$312,056,400	5
12	Dow Chemical	\$1,408,228,374	416	62	Weyerhaeuser	\$300,575,457	92
13	ArcelorMittal	\$1,338,284,411	58	63	Orca Bay Seafoods	\$296,849,235	6
14	Advanced Technology Investment	\$1,224,997,961	4	64	Jackson Laboratory	\$291,000,000	1
15	Berkshire Hathaway	\$1,063,809,399	310	65	Anschutz Company	\$290,000,045	4
16	Toyota	\$1,051,586,557	77	66	Areva	\$289,116,137	13
17	IBM	\$1,026,845,249	208	67	Citigroup	\$286,228,767	64
18	Delta Air Lines	\$869,754,989	7	68	Sasol	\$279,262,538	27
19	Texas Instruments	\$727,848,327	39	69	Peabody Energy	\$278,095,289	22
20	Pyramid Companies	\$703,596,595	15	70	Electrolux	\$278,068,356	19
21	Goldman Sachs	\$661,979,222	28	71	ConAgra Foods	\$271,306,014	145
22	Volkswagen	\$657,778,311	14	72	Nestle	\$264,262,725	163
23	JPMorgan Chase	\$653,474,481	133	73	General Dynamics	\$262,528,332	84
24	Hyundai Motor	\$649,041,683	7	74	Valero Energy	\$262,298,522	54
25	Google	\$632,044,922	26	75	Yahoo	\$261,078,455	17
26	Teck Resources	\$597,871,991	5	76	Eli Lilly	\$258,216,376	15
27	Mayo Clinic	\$585,000,000	1	77	BMW	\$254,326,405	13
28	Forest City Enterprises	\$582,389,708	37	78	Orascom Group	\$251,000,000	1
29	Clean Coal Power Operations	\$550,000,000	1	79	UBS	\$247,608,178	11
30	Sematech	\$550,000,000	3	80	Cabela's	\$247,189,539	16
31	Scripps Research Institute	\$545,000,000	1	81	Wacker Chemie	\$241,325,051	34
32	Daimler	\$544,749,000	42	82	Comcast	\$239,337,579	62
33	Nucor	\$534,974,717	46	83	Sanford-Burnham Institute	\$233,600,000	2
34	Sears	\$534,616,673	54	84	Virdia	\$230,000,000	1
35	Silver Lake	\$482,025,256	85	85	Prudential Financial	\$225,734,997	30
36	FedEx	\$456,750,126	222	86	International Paper	\$222,836,793	196
37	NRG Energy	\$449,990,674	49	87	Baxter International	\$212,892,487	20
38	Apple	\$446,485,233	6	88	Pfizer	\$210,072,210	123
39	Honda	\$438,179,224	38	89	Johnson Controls	\$210,010,267	106
40	McEagle Properties	\$430,650,000	5	90	Caterpillar	\$208,982,443	127
41	Cornell University	\$400,000,000	1	91	Blackstone	\$203,193,594	141
42	Shin-Etsu Chemical	\$398,842,605	40	92	Convergys	\$199,690,351	21
43	Severstal	\$396,013,300	26	93	Triumph Group	\$196,342,629	57
44	General Electric	\$394,212,107	255	94	Max Planck Florida Institute	\$193,000,000	2
45	Onex	\$388,603,757	118	95	Goodyear Tire & Rubber	\$190,432,390	118
46	Walt Disney	\$381,525,727	36	96	CME Group	\$188,000,000	6
47	Mitsubishi Group	\$379,243,036	42	97	Simon Property	\$187,000,000	2
48	Morgan Stanley	\$366,284,480	47	98	Summit Power	\$183,221,842	2
49	Triple Five Worldwide	\$358,000,000	2	99	CA Inc.	\$181,258,193	20
50	Michelin	\$357,416,880	46	100	Bank of America	\$179,959,106	119

Acknowledgments

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