Congress of the United States Washington, DC 20515

March 14, 2017

The Honorable Michael S. Piwowar Acting Chair United States Securities and Exchange Commission 100 F Street, NE Washington, DC 20549

Dear Acting Chair Piwowar:

We write to oppose any delay in the full implementation of the CEO-median worker pay ratio disclosure rule. While this rule was mandated by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, it was not finalized until 2015. The first reporting period just began this year. It would be a terrible mistake to delay or weaken the rule simply because, as you allege, some companies are having a difficult time calculating their median-worker pay.

Congress enacted the CEO-to-median worker pay ratio disclosure rule in response to public concern over high executive compensation and the need to have this information available in an understandable format. The CEO of an S&P 500 company makes, on average, \$331 for every \$1 earned by the typical rank-and-file worker. In some companies, this ratio can reach as high as \$1,000 to \$1.

Investors should be able to consider if a CEO provides hundreds of times the value of their employees prior to investing in a firm. While executives make critical decisions about the direction of their companies, quality employees ensure those decisions are properly implemented. This pay ratio information will benefit investors by giving them valuable information for ascertaining whether company employees are fairly compensated and help them decide how to cast their "say-on-pay" advisory votes on executive compensation.

Research shows the higher the CEO to median-worker pay ratio, the more likely that CEO is to pursue the kind of risky investments that brought on the global financial crisis. The Institute for Policy Studies found that nearly 40 percent of the CEOs on the top 25 highest-paid lists over a 20-year period wound up being fired, sought a bailout, or were forced to pay fraud-related fines. Furthermore, a lower ratio of CEO to median-worker pay implies more investment in human

capital and a longer-term outlook for the corporation. According to the Center for Audit Quality's annual investor survey, 46 percent of investors say they consider CEO compensation in their decision making.

The current culture of paying CEOs hundreds of times more than the typical employees hurts working families, is detrimental to employee morale, and goes against what research shows is best for business. Management expert Peter Drucker argued that a pay ratio not exceeding 20-to-1 or 25-to-1 is ideal, and that higher pay ratios make it difficult to foster the kind of teamwork and trust that businesses need to succeed. Today's numbers dwarf that optimal ratio, contributing to stunning widening of economic inequality – 95 percent in income gains since the global financial crisis have gone to the top 1 percent while ordinary workers' pay has stagnated.

We urge the SEC to allow the full implementation of the CEO-median worker pay ratio rule without delay (Section 953(b)). The rule provides flexibility to firms to enable their compliance with the law without exemptions that undermines the intent of the law. Thank you for your attention to this matter and your prompt reply.

Sincerely,

Member of Congress

Raúl M. Grijalva

Member of Congress

Maxine Waters

Member of Congress

Member of Congress

Donald S. Beyer, Jr.

Member of Congress

Earl Blumenauer

Member of Congress

Brendan F. Boyle

Member of Congress

ilia Brownley

Member of Congress

Michael E. Capuano

Member of Congress

Member of Congress

David N. Cicilline

Member of Congress

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	ames P. McGovern Member of Congress	Jerrold Nadler Member of Congress	Eleanor Holmes Norton Member of Congress
	amie Raskin Member of Congress	Janice D. Schakowsky Member of Congress	Robert C. "Bobby" Scott Member of Congress
	Carol Shea-Porter Member of Congress	Adam Smith Member of Congress	Mark Takano Member of Congress

Miki Tsongas
Member of Congress

Mary Mary Relázquez Nydia M. Velázquez Member of Congress

Peter J. Visolosky Member of Congress

Member of Congress