

**Starbucks Shareholder Meeting Question**  
**Justin Danhof, Esq., General Counsel and Free Enterprise Project Director**  
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I'm Justin Danhof of the National Center for Public Policy Research.

In repeatedly bashing President Trump's tax cuts, Starbucks executive chairman and former CEO Howard Schultz appears to be placing his personal politics ahead of the company's best interests. He has gone so far as to publicly call the tax cuts "fool's gold."<sup>1</sup> But allowing working-class Americans – including many Starbucks employees – to keep more of their hard-earned money is hardly fool's gold.

Hundreds of corporations have offered bonuses, increased wages and increased investments in the United States in response to President Trump's tax reform. Despite Mr. Schultz's grandstanding and protestations, even Starbucks increased wages and offered stock bonuses to many of its employees. According to *USA Today*, "[t]he company specifically credited 'recent changes in the U.S. tax law,' saying they 'accelerated' th[ose] decision[s]."<sup>2</sup>

Even after the company made that announcement, Mr. Schultz made the outrageous claim that the tax reform law is designed to rob from the future of young people.<sup>3</sup> This comes as many Starbucks employees are seeing larger paychecks not only because of company pay increases, but also because of favorable provisions in President Trump's tax reform. That's not robbery; it's a double-victory for Starbucks workers. Relying on poor economic analysis, Mr. Schultz appeared to suggest tax cuts may increase the national debt by as much as \$1 trillion.

President Obama's disastrous economic policies increased the national debt by an unprecedented \$9 trillion – almost doubling the balance he inherited. Using his own logic, it appears Mr. Schultz had no problem with President Obama robbing future generations. If President Trump takes an action that negatively affects Starbucks, by all means – leadership *should* speak out. When policies benefit Starbucks employees, in addition to many millions of other American workers and their families, why attack that progress?

It is shocking to hear Howard Schultz object to a law that is helping so many Starbucks employees and their families. If he cares more about criticizing the President and perhaps even assisting his own future political ambitions than he cares about the company's employees and the success of the American economy, perhaps it is time the company severed ties with him.

My question is this: do you agree with your predecessor that the recent tax cuts, that have benefited so many Starbucks employees, are "fool's gold" designed to rob future generations?

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<sup>1</sup> <http://money.cnn.com/2017/11/09/investing/howard-schultz-tax-cuts-starbucks/index.html>

<sup>2</sup> <https://www.usatoday.com/story/money/2018/01/24/starbucks-boosts-worker-pay-gives-bonuses-after-trump-tax-cut/1060883001/>

<sup>3</sup> <https://www.youtube.com/watch?v=OGPN0WsYzQk>