

# MEGA RETAILERS ARE RAISING PRICES, TURNING RECORD PROFITS

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**While consumers pay more, CEOs crow: “what we are good at is pricing” and will return “a huge amount of cash to shareholders”**

Building on [research](#) released in October, [Groundwork Collaborative](#) pored through recent earnings reports, pricing analyses, and sales data to understand the role corporations are playing in price hikes during the holiday season. These findings highlight the specific ways that mega-retailers are raking in record profits and returning billions to shareholders at the expense of workers who support our supply chains and consumers:

- After a strong second quarter profit this year, **Macy’s** paired price hikes with stock buybacks, recently [approving \\$500 million](#) in buybacks. The company’s Chief Executive even admitted it is [experimenting](#) with where it can get away with higher prices: “We’ve clearly been through these inflationary cycles before, and so we have a lot of experience with it...And with fashion, sometimes you can pass that on, and you can get a higher ticket and a higher sale price.”
- On their latest earnings call, **Mattel’s** CFO boasted about their “[pricing actions](#)” (read: price hikes) and how “it’s going well” and the company “will continue to implement those programs” for financial gain: Mattel [reported](#) that its third quarter net income surged 161% over the previous year.
- **Hasbro** is “[implementing price increases for toys and games](#)” and has plainly stated that their motive is “to maintain our gross margin and to ensure we can achieve a 15% or better operating profit margin.”
- **Kohl’s** said it will return “a huge amount of cash to shareholders through dividends and share buybacks over the next few years” after [it reported enormous earnings results](#) for the second quarter, thanks, in part, to price hikes.
- The holding company of **TJ Maxx** stated it would spend [as much as \\$1.25 billion on share repurchases](#) in the next month by raising prices and keeping inventories tight.
- **Best Buy** said it would spend over \$2.5 billion on buybacks this year, just as it hiked prices on appliances. As CFO Matt Bilunas put it on an [earnings call](#): “that’s probably an area where, in most cases, we’ve flowed those prices onto the consumer.”

