

## Big Pharma Spends Lavishly on Stock Buybacks



***Big Pharma’s “innovation” myth: Drug corporations spent more than half a trillion dollars enriching shareholders and executives with stock buybacks in the last decade—billions more than they spent on R&D.***

A recent [report](#) released by Speaker Pelosi and the House Oversight Committee found that between 2016 and 2020, the top 14 pharmaceutical corporations spent \$56 billion more on bonuses and stock buybacks than into the research and development of new drugs. The money corporations spend to buy back stocks and enrich their executives and shareholders is currently tax free, something the Senate is working to address.

During the same period, according to the report, drug corporations spent a significant portion of their R&D budget not on innovating new drugs, but on suppressing more affordable generic options, while continuing to raise prices on drugs for families.

### Drug Corporation Expenditures

	Buybacks (\$M)	Dividends (\$M)	Total Buybacks and Dividends (\$M)	R&D Expenditures (\$M)
2016	\$45,193	\$67,614	\$112,806	\$92,034
2017	\$34,401	\$67,338	\$101,740	\$96,392
2018	\$70,162	\$70,918	\$141,080	\$104,585
2019	\$50,168	\$73,553	\$123,721	\$107,573
2020	\$19,104	\$79,463	\$98,567	\$121,233
<b>Total (2016-2020)</b>	<b>\$219,028</b>	<b>\$358,886</b>	<b>\$577,914</b>	<b>\$521,817</b>

PhRMA, the pharmaceutical industry’s lobbying group, has [misleadingly](#) argued that Democrats’ legislation to lower drug prices would result in less innovation of new drugs, spending nearly [\\$20 million](#) on ads since July in an attempt to intimidate Members of Congress from lowering costs for families.

The *Washington Post*'s Fact Checker gave PhRMA's ad campaign [three pinocchios](#), saying that it *"misleadingly suggests that legislation is designed to...make it harder for Medicare patients to get drugs. That's not the intention at all. Drug manufacturers don't want to have to negotiate with the government."*

Already this year, drug companies have hiked the prices of 1,100 prescription drugs—more than 90% of which were above the rate of inflation. These price hikes are enriching shareholders and executives, while forcing ordinary people to make drastic choices between buying medicine for their family or for putting food on the table.

Everyone deserves affordable medicine to have the best chance at healthy lives. By allowing Medicare to negotiate drug prices, our elected leaders can take on price-gouging drug corporations and lower the cost of prescription drugs for all.

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