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RETAIL · CEO SALARIES AND EXECUTIVE COMPENSATION

Ross Stores' CEO made a whopping 2,100 times as much as her typical employee in 2023

BY SYDNEY LAKE
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Ross Stores CEO Barbara Rentler makes 2,100 times as much as her frontline workers.
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[Ross Stores](#) says it's about dressing for less. But it's also about paying less—unless you're the CEO of the discount retailer.

In 2023, Ross Stores CEO [Barbara Rentler](#) hauled in an \$18.1 million pay package, which is 2,100 times as much as her ordinary employees, according to the [Institute for Public Policy's](#) annual [Executive Excess Report](#) released Thursday. Ross Stores claimed one of the least-coveted positions in the analysis as having both the lowest median worker wage and the widest pay gap.

The report highlights 100 [S&P 500](#) companies with the largest pay gaps between chief executives and employees. In 2023, CEOs earned an average of 538 times what they paid their typical workers, according to the report, and Ross's median worker, a part-time hourly paid associate, earned just about \$8,600 per year, the report shows. The CEO pay ratio, a required disclosure for public companies, shows the relationship between total comp for the top role compared to median pay for other employees. Critics argue it doesn't provide a complete picture, but investors and analysts use it to assess pay equity and senior executives' approach to pay structure for employees other than themselves.

Ross Stores did not respond to requests for comment from *Fortune* on the matter.

Ross, the [largest](#) discount apparel and fashion chain in the U.S., serves as a prime example of the extreme divisions that exist in America's corporate compensation structures. And it's an issue people from across various political stances think needs to be fixed. Indeed, 83% of Americans feel that businesses should be avoiding large CEO-worker pay gaps, with 96% of

democrats, 83% of independents, and 67% of republicans holding this view, according to a [June 2024 survey](#) conducted by Bentley University and Gallup.

Pay discrepancy “underscores the need for shareholders to take a stand against excessive compensation and advocate for more equitable practices that reflect both company size and market standards,” [George Benaroya](#), global chief financial officer for investment management firm [LTI](#), told *Fortune*. “It’s time for a reevaluation of compensation structures to better align with global expectations and maintain a company’s brand integrity.”

Who is Barbara Rentler and why does she make so much money compared to her employees?

In 2014, Rentler became CEO and a member of the board of directors of Ross Stores, where she had previously served as president and chief merchandising officer. Having joined the company in 1986, she also held a slew of other executive- and director-level merchandising positions at Ross.

According to SEC filings, Rentler originally signed on as CEO through March 31, 2027, and that she’ll receive an annual salary of no less than \$1.45 million, although she earned far more last year. In 2023, her compensation included a \$1.45 million salary, plus stock awards valued at \$10.7 million, an annual cash bonus of \$5.8 million, and about \$150,000 in other compensation. That includes estate tax and financial planning services, car service and commuter benefits, executive health benefits, umbrella liability insurance, and company matching contributions.

While the pay gap between Rentler and her average employee may seem startling, it’s not necessarily unique to see such a discrepancy in executive compensation and frontline workers’ pay.

“Retail CEOs often receive substantial bonuses tied to company performance metrics like stock price appreciation, revenue growth, and profitability,” [Tim Peters](#), chief marketing officer of publicly-traded software company [Enghouse Systems](#), told *Fortune*. “Given Ross Stores’ financial performance in recent years, these bonuses and stock awards likely make up a large portion of the CEO’s compensation, exacerbating the gap between executive and average worker pay.”

During the second quarter this year, [Ross Stores beat expectations](#), resulting in a 5% bump in share price. Still, Rentler realizes the reality of consumers cutting costs among inflationary pressures—[even at discount retailers](#).

“Our low-to-moderate income customers continue to face persistently high costs on necessities, pressuring their discretionary spending,” Rentler said in the company’s second-quarter earnings [release](#).

Who will be the next CEO at Ross?

Although Rentler will continue her gig at Ross through March 2027, the company has seemingly started priming candidates to take her place. An [SEC filing](#) from June 2023 shows the company approved a new employment agreement with Rentler, which “contemplates a long-term succession plan.” The new agreement says Rentler will continue as CEO through Jan. 31, 2026, more than a year earlier than originally planned. She’ll become a senior adviser for the rest of her employment term through March 31, 2027, according to the SEC filing.

The people to watch as potential Ross Stores CEO candidates include [Stephen Brinkley](#), an [outside hire](#) announced in September 2023 who serves as president of operations, and Michael Hartshorn, group president and chief operating officer. Hartshorn has been with Ross since 2019 and has served on the board since 2021. He held a previous stint as CFO of the retailer. Ross also promoted [Karen Fleming](#) in January to president and chief merchandising officer, and she reports directly to Rentler.

[Michael Balmuth](#), who is a member of the board of directors the [company promoted to executive chairman](#) in August 2023, previously served as CEO for 16 years before passing the torch to Rentler. But given the trend in [boomerang CEO](#) hires, even Balmuth could be poised for a possible return, given his decades of tenure at the company.

The Ross board could also seek an outside candidate to lead the retailer rather than an internal successor, another [popular option](#) this summer.

Ross did not respond to questions about their succession plan.

In joining Ross, Brinkley was offered nearly \$11 million in cash and stock, including a sign-on bonus of \$1.35 million, a relocation bonus of \$1.5 million to buy a house in the San Francisco Bay Area, and a massive housing allowance of \$20,000 per month for 12 months. The company paid about \$64,000 to move him to California, according to [SEC filings](#). Brinkley most recently served as president of [SportChek](#), Canada's largest sporting goods, footwear, and apparel retailer.

By comparison, Fleming's promotion got her a \$900,000 salary and a restricted stock award valued at \$500,000, [SEC filings](#) show.

No matter how Ross' impending leadership changes shake out, their compensation structure is an illustration of a larger problem in corporate America.

A "focus on shareholder value can lead to outsized compensation packages, particularly when stock prices perform well," Peters said. "The widening gap between CEO and worker pay is also indicative of broader economic trends, including income inequality and the concentration of wealth at the top."