

ROBERT P. CASEY, JR.
PENNSYLVANIA

COMMITTEES:
FINANCE

HEALTH, EDUCATION,
LABOR, AND PENSIONS

SELECT COMMITTEE
ON INTELLIGENCE

SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510

June 20, 2024

Brian Cornell
Chair and CEO
Target
1000 Nicollet Mall
Minneapolis, Minnesota 55403

Dear Mr. Cornell,

As families across the country struggle with household costs, I write to understand your company's pricing decisions on thousands of the items which you sell.¹ Over the last couple of years, Americans' budgets have been squeezed by rising prices, especially on everyday items. However, even as inflation has fallen, prices for groceries and other household items have not. While Target's recent decision to lower prices is welcome,² I have questions about pricing decisions in recent years, the extent of current price decreases, and what Target will do to ensure its items remain fairly priced for consumers.

As the Chairman of the U.S. Senate Subcommittee on Children and Families and the Senate Special Committee on Aging, I have been examining the impact of price increases on American families for nearly a year.³ I have found widespread "greedflation," corporations using the cover of inflation to raise prices on consumers to increase corporate profits. Between June 30, 2020, and June 30, 2022, corporate profits rose by 75 percent—five times as fast as inflation. Corporate profit growth accounted for all inflation from July 2020 to July 2021.⁴ As a result, an average Pennsylvania family paid \$3,194 in 2021 and \$3,546 extra in 2022 – nearly \$7,000 total – just toward greedflation.

Target appeared to benefit from this, as did many other American corporations. Over that time period, as families were struggling with high costs, Target saw its quarterly profits increase by 31.7 percent. Annualized quarterly profits remain about 30 percent higher than they were pre-pandemic.⁵ After Target saw its sales drop,⁶ the company announced plans to cut prices for approximately 5,000 of its frequently shopped items.⁷ Target's recent pricing announcement

¹ <https://fortune.com/2024/05/28/amazon-walmart-target-price-cuts-inflation/>

² <https://corporate.target.com/press/release/2024/05/target-will-help-consumers-save-big-by-lowering-prices-on-5,000-frequently-shopped-items>

³ <https://www.casey.senate.gov/greedflation>

⁴ <https://www.kansascityfed.org/research/economic-bulletin/corporate-profits-contributed-a-lot-to-inflation-in-2021-but-little-in-2022/>

⁵ <https://www.macrotrends.net/stocks/charts/TGT/target/gross-profit>

⁶ <https://www.cnn.com/2024/05/22/investing/target-earnings>

⁷ <https://corporate.target.com/press/release/2024/05/target-will-help-consumers-save-big-by-lowering-prices-on-5,000-frequently-shopped-items>

indicates plans to cut the prices for Huggies and Clorox products, both of which I featured as products that had seen significant price increases in recent years.⁸

Besides reports showing that Target has been experiencing considerable profits for years, official data show that the US has not experienced any major inflation in goods for some time. According to the Bureau of Economic Analysis' Personal Consumption Expenditure inflation measure, the price of goods economy-wide has *deflated* since last September.⁹ Given the slowdown in the price of goods since at least late summer of 2023, Americans should have been seeing decreases in prices for many products for over a year, not just now. This reaffirms that the price increases that consumers have been confronted with have not been inflationary increases, but instead, greedflation-related increases. It is now readily apparent that corporations have had the ability to lower consumers' costs and still turn a profit.

Americans deserve to pay fair prices, and corporations must be held accountable for taking advantage of working families. I therefore ask you to please provide answers to the following questions by no later than July 20, 2024, to allow me to better understand pricing decisions and to provide transparency to Target customers in Pennsylvania and across the country:

1. Recent data suggests that inflation in goods has been low or nonexistent for some time, with price increases instead attributable to corporate profit seeking.¹⁰ Please explain the factors contributing to Target recently announced price decreases.
2. Please provide information on the anticipated duration of the announced price decreases. When will these price decreases be fully implemented and how long can customers expect them to last?
3. Please provide the following data:
 - a. The total number of products sold by Target;
 - b. The number of products for which Target has lowered prices in the last six months; and
 - c. The number of products for which Target has increased prices in the last six months.
4. From 2020 to present, please explain the factors that contributed to corporate pricing decisions, including price increases and decreases. Has Target increased prices in excess of inflation?
5. I released a report examining shrinkflation, when big corporations downsize products without adjusting prices or notifying consumers.¹¹ For the products for which Target has recently announced price decreases, please confirm that the size of the packages and the quantity of the products will remain the same. Please list any product for which the size or quantity of the product will be reduced in conjunction with the pricing decrease.
6. How does Target work with other brands that are sold in store to monitor pricing and product packaging decisions?

⁸ <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf>


⁹ https://apps.bea.gov/iTable/?reqid=19&step=3&isuri=1&1921=survey&1903=84&_gl=1*12tyux3*_ga*ODgwMjc zODczLjE3MTg1NDgzODM.*_ga_J4698JNNFT*MTcxODU0ODM4My4xLjEuMTcxODU0ODQyNS4xOC4wLj A

¹⁰ <https://www.vox.com/money/352116/whats-really-happening-to-grocery-prices-right-now>

¹¹ <https://www.casey.senate.gov/news/releases/less-bang-for-your-buck-casey-releases-shrinkflation-report-exposing-big-corporations-for-reducing-product-size-while-keeping-prices-high>

Thank you for your attention to this matter. If you or your staff have questions, please contact Corey Husak at Corey_Husak@casey.senate.gov or 202-228-5078.

Sincerely,

A handwritten signature in blue ink that reads "Bob Casey". The signature is written in a cursive style and is positioned above a solid horizontal line.

Robert P. Casey, Jr.
United States Senator
Chairman, Subcommittee on
Children and Families