THE · NATHAN · CUMMINGS · FOUNDATION

March 21, 2017

Michael S. Piwowar
Acting Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Reconsideration of Pay Ratio Rule implementation (File No. S7-07-13)

Dear Acting Chairman Piwowar,

We write to express the Nathan Cummings Foundation's continued support for the Commission's final rule, adopted in August 2015, (the "Pay Ratio Rule"), implementing Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), which requires the Commission to adopt a rule providing for disclosure of the ratio between CEO and median worker pay (the "CEO/Worker Pay Ratio"). The Pay Ratio Rule is scheduled to take effect for the first fiscal year beginning on or after January 1, 2017; for most companies, then, the disclosure will appear in their 2018 proxy statements.

Nearly seven years have elapsed since the enactment of Dodd-Frank, and investors still do not have the pay ratio disclosure required by Section 953(b). The final Pay Ratio Rule carefully balanced investor and issuer interests and injected a delay in implementation to allow issuers sufficient time to prepare. Given the benefits of disclosure to investors, it would be inappropriate to delay further the implementation of the Pay Ratio Rule.

Those benefits include the following:

Illuminate Issuer Approaches to Top Executive Pay: We believe that the CEO/Worker Pay Ratio sheds light on issuers' approaches to top executive compensation, including the role of internal pay equity. In our view, when setting senior executive compensation, internal pay equity should be considered because of the effect it has on employee morale and, in turn, firm performance. Knowing whether and how internal pay equity factors into compensation decision making is valuable to investors deciding how to vote on the advisory vote on executive compensation ("say on pay") and re-election of directors serving on the compensation committee.

475 TENTH AVENUE · 14TH FLOOR · NEW YORK, NEW YORK 10018
Phone 212.787.7300 · Fax 212.787.7377 · www.nathancummings.org

Help Investors Forecast Firm Performance: There is evidence that companies with higher CEO/Worker Pay Ratios underperform those with smaller ratios. Accordingly, the CEO/Worker Pay Ratio can be used by investors in making buy/sell decisions.

Track Changes in Issuer Compensation Practices Over Time: The Pay Ratio Rule will allow investors to analyze how the CEO/Worker Pay Ratio changes at individual issuers over time and how it correlates with strategy changes, changes in board composition and other larger trends, both at individual issuers and across industries.

Allow Investors to Assess Human Capital Management: Compensation structures are an important element of human capital management, and we believe that effective human capital management is critical to firm success. The Commission's periodic reporting rules require almost no disclosure regarding human capital, and the CEO/Worker Pay Ratio will begin to fill that gap.

Thank you for the opportunity to comment. If you have any questions, please do not hesitate to contact me at 212-787-7300.

Sincerely,

Laura Campos
Director, Corporate & Political Accountability