New reports of multi-million dollar payouts to US bankers

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After a record year for Wall Street profits, details of the multi-million dollar salaries and bonuses paid to hundreds of individuals at financial firms have begun to trickle out.

The *New York Times* compiled a list of 19 of the most highly-paid Wall Street figures, whose combined compensation in 2009 amounted to an estimated $226.8 million.

Topping the list was John G. Stumpf, chairman and chief executive of Wells Fargo, the San Francisco-based bank. Stumpf's pay shot up 64 percent from 2007, the year before the financial crisis hit.

The two most prominent names on the list, Lloyd Blankfein of Goldman Sachs and Jamie Dimon of JPMorgan Chase & Co, took lower payouts last year than in 2007. Dimon, who received $28 million in 2007, took "only" $16 million. Lloyd Blankfein, who took in over $60 million in 2006, had his compensation reduced to $9.7 million in 2009.

The Obama administration fully approved these pay packages. In an interview, Kenneth Feinberg, the administration's 'pay tsar,' said that he worked closely with Dimon and Blankfein to work out their compensation packages, and in general indicated his approval of the means by which their pay was set.

But Obama himself went even further, saying Tuesday in an interview with *Business Week* that he, "like the American people," does not "begrudge" the pay of Blankfein and Dimon. He added that "I know both those guys; they are very savvy businessmen."

Following the example of Blankfein and Dimon, top executives seem to have chosen not to award themselves more money than in 2007, in order to allow their lower-level associates to enjoy their record incomes with less public criticism.

The *New York Times* analysis found that "Chief executives, who are usually at the top of the pay heap, are taking home roughly the same amounts as executives who work for them—and sometimes less."

Blankfein's four immediate deputies earned about the same amount of money as he did. The story is similar at JPMorgan Chase, whose vice-chairman, Steven D. Black, got $14.2 million, while its chief investment officer, Ina R. Drew, got $12.9 million, only slightly less than Dimon.

In fact, five of the most highly-paid executives came from JPMorgan Chase, which doubled its profits in 2009, reaching $11.7 billion. The average payout per employee at the company increased by nearly a quarter last year over 2008, and the average payout for employees in the investment banking division hit $380,000.

Executives at major credit card companies were particularly prominent on the *Times*' list. Joseph W. Saunders of Visa earned $15.5 million, Ajay Banga of MasterCard received $13.5 million in pay, and Hans Morris of Visa $10.7 million.

These payouts were financed by aggressive fee and interest rate increases, which compensated for the fact that millions of people defaulted on their credit cards as they lost their jobs or took pay cuts.

The rest of the list was filled out by executives from Wall Street trading firms, such as the Jefferies Group and BlackRock, which the US government paid to help administer the bank bailout.

The final compensation figures for all of Wall Street are not available, and many of the figures reported in the *Times* article are tentative. But pay for the whole of the financial sector is set to match, or even exceed, the record set in 2007.

According to a recent *Wall Street Journal* study, major US banks and financial firms were on track to hand out a record $140 billion in compensation in 2009. This would be a 20 percent increase from 2008 and $10 billion more than the previous record, set in 2007.

The *Times* article pointed out that traders and other employees in non-executive positions often take home sums comparable to chief executives, but get by without reporting their incomes. Hundreds, if not thousands, of brokers, asset managers, and traders take home tens of millions of dollars without any public scrutiny.

“There are probably thousands of people that are in the Millionaire Club—or even the Ten Millionaire Club—that have gotten no heat,” one Wall Street compensation consultant told the newspaper.

The *Times* report provides a snapshot of American class society. The majority of the American population have seen their livelihoods and living conditions under attack for decades. The economic crisis that broke out in 2007 has thrown large numbers of people into the social abyss, destroying over 9 million jobs and forcing record numbers of families into foreclosure.

Yet through all this, Wall Street speculators continue to gorge themselves at record rates.