US bank CEOs rake in pay raises, bonuses

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22 February 2014

The CEOs of the biggest US banks raked in huge increases in pay and bonuses in 2013, five years after their criminal financial manipulations crashed the world economy and threw tens of millions of workers out of their jobs.

Bank of America and Citibank reported their executive compensation this week. Bank of America CEO Brian Moynihan got a 17 percent raise to $14 million. The amount of the raise, $2 million, is more than the average American worker makes in 40 years—an entire working life for many.

Moynihan's compensation package included $1.5 million in base salary and grants of stock totaling $12.5 million, according to forms filed with bank regulatory authorities and made public February 19.

The principal achievement of the BofA CEO is the near tripling of the stock price since he took the reins. Bank of America stock hit a low of $4 a share in early 2009, when the Bush-Obama bank bailout began to take effect. It closed Friday at $16.29 a share, a rise of more than 300 percent.

Citigroup CEO Michael Corbat just edged out Moynihan, with a 23 percent raise taking him to $14.4 million in total pay. This included a $1.5 million salary, a cash bonus of $5.17 million, deferred shares worth $3.88 million and performance shares of a similar amount.

Corbat succeeded Vikram Pandit in October 2012, and immediately embarked on a drastic cost-cutting campaign, beginning with the slaughter of 11,000 jobs in December 2012. Citigroup's profit rocketed 84 percent in 2013 to $13.9 billion, although its stock price rose "only" 32 percent, trailing its major rivals Goldman Sachs (39 percent), Bank of America (34 percent) and JPMorgan Chase (33 percent).

Last month, Goldman Sachs revealed that Chairman and CEO Lloyd Blankfein had received $26 million in salary, bonus and stock in 2013, his biggest payout since the 2008 crash, and a jump of nearly 20 percent. This was comprised of a $2 million salary, $14.7 million in restricted stock, a cash bonus of $6 million.

At least five other Goldman Sachs executives made more than $10 million in 2013: Gary Cohn, the president, and Harvey Schwartz, chief financial officer, each made $21 million; Michael Sherwood, vice chairman and co-head of Goldman's European operations, received $19.1 million; Vice Chairmen Mark Schwartz and John Weinberg each collected restricted shares worth $10.8 million in addition to their salaries.

JPMorgan Chase Chairman and CEO Jamie Dimon took in $20 million, including a $1.5million salary and $18.5 million in stock, a staggering 74 percent rise in a year when the bank paid record fines for criminal financial manipulations during and after the Wall Street crash.

The fifth of the major Wall Street banks, Morgan Stanley, paid CEO James Gorman a $1.5 million salary and an increase of 88 percent in his stock bonus, bringing it to $4.9 million, as well as an unspecified cash bonus whose size will not be revealed until later. In 2012, in addition to his salary and bonus, Gorman made $9 million extra from stock options, deferred payments and incentive payments. Morgan Stanley's stock price rose 64 percent in 2013.

The bank bosses collected unprecedented amounts of cash, without the slightest criticism from the White House or the Democratic Party. This demonstrates the complete cynicism of Obama's claim to oppose growing economic inequality.

The bankers know that Obama's "opposition" is purely rhetorical, for the purpose of deluding the American people during the 2014 congressional election campaign.

If anything, the Democrats' timid noises about inequality have provoked an outpouring of selfjustification and boasting from the Wall Street moguls.

Former Morgan Stanley CEO John Mack, in an interview with Bloomberg TV, complained about criticism of bankers' pay, saying of the bosses of Goldman Sachs and JP Morgan Chase, "I would love to see (people) stop beating up on Lloyd and Jamie." These bank CEOs were not out of line, he maintained, saying, "The last time I checked, this business is still a business that pays people extremely well."

At last month's conference of the super-rich in Davos, Switzerland, CEO Sergio Ermotti of the giant Swiss bank complained that "life is hard enough" for bankers. Silicon Valley venture capitalist Thomas Perkins went so far as to compare public criticism of the financial tycoons to Kristallnacht, the 1938 pogrom against the Jews carried out by Hitler's Nazis.

Another banker, unnamed for obvious reasons, gave voice to the aristocratic principle in terms that dripped with contempt for the working class. "We get high salaries because we deserve them," he told an interviewer. "If you pay peanuts, you get monkeys," he said.

Actually, you get social revolution. The bank CEOs, with their insatiable greed and insufferable arrogance, will reap the whirlwind.