While wages, jobs stagnate

Median CEO pay in US tops $10 million

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Nineteen corporate executives raked in more than $100 million in income in 2013, and the median CEO pay for Standard & Poor’s 500 companies rose 13 percent to $10.5 million, according to an analysis of S&P data published Friday by *USA Today*.

The newspaper said these figures were at “a level buoyed by soaring stock prices that’s likely to rise as more companies meet annual Securities and Exchange Commission filing deadlines.” In other words, this report of gargantuan paydays for corporate bosses is likely an understatement.

The highest-paid CEO was Facebook co-founder Mark Zuckerberg, who took in $3.3 billion from pay and stock options, on top of the $2.3 billion he made in 2012, when the social networking site first went public. Second place in Silicon Valley went to Lawrence Ellison, CEO of Oracle Corp., who took $229.8 million from direct compensation and stock options combined.

Joining Zuckerberg and Ellison were a half dozen Wall Street financial operators: Leon Black of the Apollo Global hedge fund collected $546 million, and his partners Josh Harris and Marc Rowan took in $397 million and $366 million respectively. Stephen Schwarzman of Blackstone Group doubled his 2012 income to $465 million in 2013. The co-CEOs of Kohlberg Kravis Roberts were in the group: Henry Kravis made $161 million, George Roberts $165 million.

Others in the $100 million-plus club include John Martin of Gilead Sciences, $179.2 million; Howard Schultz of Starbucks, $163 million; Philippe Dauman of Viacom, $148.3 million; Eric Schmidt of Google, $147.5 million; Nolan Archibald of Stanley Black & Decker, $130 million; Marc Benioff of Salesforce.com, $128.4 million; Paul Bisaro of Actavis, a pharmaceutical firm, $119.2 million; Tom Dooley of Viacom, $117.8 million; David Zaslav of Discovery Communications, $118.6 million; Robert Iger of Walt Disney, $106.7 million; Jim Gallogly of petrochemical giant LyondellBasell, $106 million.

Topping every CEO except Zuckerberg in weekly earnings was Time Warner Cable CEO Robert Marcus, who is pocketing $80 million in severance pay, bonuses and stock for six weeks of employment, culminating in the sale of the company to Comcast (See: Time Warner CEO to receive $80 million payout after six weeks of work).

By comparison, median annual wages for the 105 million people working full-time in the United States rose only 1.4 percent to $40,872. Wages stand significantly below the level reached at the time of the 2008 Wall Street crash, belying claims by the Obama administration and the corporate-controlled media that the US is experiencing an economic “recovery.”

The median worker would have to work 257 years to earn as much as the typical top 500 CEO made in 2013 alone. He or she would have to work 5,622 years to make as much as Oracle’s Ellison and nearly 2,000 years to make as much as Robert Marcus did in six weeks.

Such comparisons are underscored by a second report, published this week by *Al-Jazeera America*, analyzing the enormous growth of social inequality from the standpoint of income received from capital gains. It is written by David Cay Johnston, who, as the tax reporter for the *New York Times* for eight years, produced multiple exposures of corporate scams and tax evasion, winning a Pulitzer Prize.

Johnston explains, based on statistics provided by the Internal Revenue Service (IRS) and other federal agencies, that the share of capital gains for the bottom 90 percent of Americans, the bulk of the population, fell from 13.9 percent of the total in 1999—even then, a staggeringly low figure—to only 5.3 percent in 2007. In absolute numbers, this was a decline from $91 billion in 1999 to $49 billion in 2007.

While earnings from capital gains rose by 40 percent during that eight-year period—the last two years of the Clinton administration and the first six years of the Bush administration—the vast majority of Americans did not benefit from it.

All other income groups also saw their share of capital gains income decline, except for the very top, the 18,000 households with a total income of $10 million or more. Their proportionate share of capital gains doubled from 21 percent to 42 percent, in dollar terms rising from $146 billion in 1999 to $388 billion in 2007.

Johnston reports that the top 0.1 percent collected 12.5 percent of the Bush tax cuts, and that by 2006 the very wealthiest Americans had seen a 60 percent reduction in their tax burden compared to the 1960s, before the cutting of income tax rates for the rich became the policy of both the Democrats and Republicans.

Wages for most workers have stagnated. In the past 15 years, the average wage reported to the IRS has gone up by only $2.20 a week, rising 1.7 percent from 1999 through 2007 and remaining essentially flat from 2007 to 2012.

Even this dismal figure understates the real situation, since it includes the gargantuan "earnings" of the super-rich. Household incomes for the bottom 90 percent of the population have fallen by 15 percent over the period 1999-2012, from $36,400 to $31,000 a year, a fall of about $5,400.

Since prices have risen considerably, particularly for basic necessities such as food, gasoline, health care and education, the standard of living for most working class families has deteriorated.

These figures give a glimpse of the ever-widening social gulf in the United States, where the overwhelming majority of the population struggles to survive from paycheck to paycheck—if they have a paycheck at all—while a tiny slice at the top constitutes a true financial aristocracy. (By one calculation, 132,000 households, out of about 130 million, hold wealth of $25 million or more).

This social polarization is the driving force of the political events that are transforming the face of the United States—the monopolization of political life by the super-rich and their bribed politicians, the assumption of dictatorial powers by the military-intelligence apparatus, and the incessant demands for austerity and budget-cutting for everyone but the elite.