

# Target CEO's "golden parachute" exceeds total severance for 17,600 Canadian workers

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In the wake of one of the largest single layoffs in Canadian history, it has been revealed that the 2014 separation package for Target department store CEO Gregg Steinhafel exceeds the severance payments for all of the 17,600 employees who have lost their jobs as a result of the January 2015 Target Canada bankruptcy.

Earlier this month, Target announced that it will close all of its 133 retail outlets in the country. The laid-off employees will receive up to 16 weeks compensation in wages and benefits. The amount set aside roughly meets the minimum requirement for severance packages as set out by labour law. To cover the payments to its employees, Target has earmarked \$56 million (US).

In contrast, as the company bled red ink, CEO Steinhafel cashed in with a spectacular "golden parachute" last May totaling \$61 million (US) in monies and deferred stock options after he was forced by the Board of Directors to resign his position. Steinhafel had spearheaded the expansion of Target stores into Canada in 2013 which quickly turned into an epic fiasco. Seven billion dollars were invested in the Canadian expansion. In only 681 days of operation, the company recorded losses of at least half of that.

Canadian customers, reeling from stagnating wages and high unemployment rates that have been endemic in Canada since 2008, had steered away from the department store in droves due to uncompetitive price points and poor selection. In its request for Steinhafel's resignation, the board also cited fallout from the massive January 2014 data breach of credit card information for its US-based customers that occurred during his tenure. Neither occurrence, however, was enough to diminish the CEO's lavish payday. Indeed, after his resignation, Steinhafel was kept on for several months by the board in an advisory capacity.

Due to draconian cuts to unemployment eligibility by the Conservative government of Prime Minister Stephen Harper and the increasing use of part-time workers by retailers, many of the Target workers will not have earned enough hours to claim unemployment insurance payments after their meagre severance payments run out.

The obscene discrepancies between the earnings of workers and those at the top of the corporate ladder will come as no surprise to working people. A new study has shown that Canada's top 100 CEOs received compensation increases double the rate of average wage-earners from 2008 to 2013. In 2013 alone, CEO pay increased by 11 percent. In that year the country's top executives raked in an average of \$9.2 million.

In Canada, the top CEOs now receive 206 times more in annual compensation than the average Canadian worker. In the United States, where Steinhafel resides, CEOs earn 354 times as much as the average worker at their companies. Steinhafel managed to outpace even this outrageous gap. His 2013 pay was 597 times greater than those of the average Target worker, second only to Walmart CEO Michael Duke, who received 1,034 times more in compensation than workers in his company.

Overall, average wages for workers in Canada have continued to stagnate with earnings rises falling behind the annual inflation rate over the past eight years. The average Canadian income in 2013 stood at \$47,358. In Ontario, the heart of the Canadian manufacturing sector, the median income has fallen by 3.2 percent since 2006. In Windsor, an ever-diminishing hub of Canadian auto manufacturing, the median income has collapsed by almost 14 percent. In Toronto, the financial centre of the country, wages have fallen by 3.2 percent over that same time period.

The pervasive and ever-increasing growth of social inequality is the most fundamental characteristic of contemporary social and political life, not just in Canada and the US, but internationally. It is rooted in the very nature of the capitalist system. In every country, corporate chiefs unashamedly enrich themselves while overseeing the wholesale destruction of jobs, wages and working conditions of ordinary working people, and demanding governments further slash essential social programs to fund tax cuts and boondoggles for the wealthy few.

The obscene levels of wealth at the top of society and growing economic distress among the broad masses is a product of the underlying capitalist economic system.



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