

Wall Street bonuses surge to record high

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The New York State Comptroller Thomas P. DiNapoli issued a press release on Wednesday reporting that estimated bonuses for New York City's financial industry grew by 20 percent in 2021 to a record average of \$257,500 per employee.

New York state's top fiscal officer issued his statement as part of the state's annual report. It showed that the pretax profits from which cash payouts were made to Wall Street bankers totaled \$45 billion in the first three quarters of the year, the largest amount on record. There were approximately 180,000 employees in the state's industry, the same number as 2020.

"The numbers pop out ... and are higher than what had been projected," DiNapoli said of the report. He also called it "welcome news" because the Wall Street employees account for 18 percent, or nearly \$15 billion, of New York tax revenue even though they represent just 5 percent of the state's private sector workforce.

Although the numbers for 2021 are not yet available, the average annual income of Wall Street employees in 2020 was \$483,370 or nearly five times the income of others in New York's private sector. Bonuses paid out to securities industry employees in 2020 were \$213,700, an increase of 28 percent from the previous year.

The report says that fourth quarter 2021 Wall Street financial results have not yet been released but, "they are expected to show continued profitability, which would represent the sixth consecutive year of growth in profits since 2015." Profits are likely "to reach the second-highest level on record after 2009 (which saw \$61.4 billion)."

The payout of massive bonuses to those who buy and sell financial assets and instruments for various Wall Street securities firms over the past two years is further proof that the capitalist elite has exploited the coronavirus pandemic to further enrich themselves, while the rest of the population has been thrown into

economic crisis and have faced the public health devastation of COVID-19.

Trillions of dollars have been funneled to the big corporations and Wall Street through bailouts and the intervention of the Federal Reserve over the last two years while at least 1 million Americans have succumbed to the virus and tens of millions more have been infected. Rapidly rising inflation meanwhile is undermining workers' living standards.

As every section of the working class has been forced to return to their jobs over the past year to ensure the continued growth of corporate profits—with the state and federal governments having removed any measures to stop the pandemic—a recent state comptroller report said that the securities industry employees continue to work from home at rates that are two to three times greater than any other industry. Wall Street has by far the highest share of employees able to work from home, at 98.5 percent.

As DiNapoli said, "Wall Street's soaring profits continued to beat expectations in 2021 and drove record bonuses." However, the comptroller warned that "recent events are likely to drive near-term profitability and bonuses lower." He said that the markets are "turbulent" and recovery in other sectors "remains sluggish and uneven." DiNapoli also pointed to Russia's war in Ukraine as a threat to Wall Street's ever rising indexes.

While the stock market has risen by 80 percent since February 2020, fueled by trillions of dollars in Federal Reserve Bank asset purchases, New York City's employment in the retail, restaurant, art and tourism industries is down by 10, 26, 20 and 34 percent, respectively.

Meanwhile, for the working class, wages have been effectively cut by the 40-year record inflation rate of 7.9 percent. With the Federal Reserve raising interest rates to push down demand for wage increases and the

cutoff of supplemental unemployment benefits by both Democrats and Republicans in Congress and the White House, workers are facing a combined assault on incomes and living standards.

Wealth and income inequality in the US and around the world had already reached historic proportions prior to 2020 but they have been vastly accelerated during the pandemic. According to the 2022 Knight Frank report on the super-rich, there was an increase in the number of ultra-high net worth individuals (UHNWI)—those with assets of \$30 million or more—of 9.3 percent to a total of 610,569 in 2021. The largest number of these individuals, 233,590 people, live in North America.

The world's richest person, Elon Musk, now claims a net worth which exceeds \$270 billion, thanks in large part to the continued inflation of the stock market. The combined net worth of the six richest men in the world has topped \$1 trillion, equivalent to the gross domestic product of Indonesia, a country of 273 million.

The ever-increasing wealth and number of billionaires the world over, while hundreds of millions have gotten sick and millions have died from COVID-19, is one side of the crisis and breakdown of the capitalist system. Another side is the growing danger of a nuclear-armed world war posed by the US-NATO-provoked Russian invasion of Ukraine. In order to prevent the capitalist class from dragging the whole of society into a catastrophe, the working class must mount an international struggle against war and take up the fight for socialism.



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