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Top ten American CEOs take home over \$100 million each

By Andre Damon

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The top ten highest-paid CEOs in the United States each received \$100 million in 2012, according to a survey by GMI Ratings reported Tuesday by the *Guardian* newspaper. Two chief executives each received over \$1 billion, and the combined pay of the top ten CEOs was \$4.7 billion.

Even as the wages of working people sink, the incomes of the super-rich continue to soar, buttressed by a surging stock market driven by massive cash infusions from the Federal Reserve.

“I have never seen anything like that,” Greg Ruel, the author of the report, told the *Guardian*. “Usually we have a few CEOs at the \$100m-plus level, but never the entire top 10.”

Mark Zuckerberg, CEO of the social media giant Facebook, received a staggering \$2.27 billion, while Richard Kinder, head of energy company Kinder Morgan, took in \$1.16 billion.

Three of the top earners headed technology companies, including Zuckerberg, Apple’s Tim Cook, who received \$143.8 million, and Marc Benioff of salesforce.com, who took in \$109.5 million.

Two others headed media companies. Mel Karmazin of Sirius XM Radio received \$255.3 million, while Gregory Maffei received \$254.8 million as head of Liberty Media and another \$136.4 million as head of its sister company, Liberty Interactive.

In the retail sector, Edward Stack of Dick's Sporting Goods received \$142 million, while Howard Schultz of Starbucks took in \$117.5 million.

Frank Coyne, head of finance information company Verisk Analytics, received \$100.4 million.

Zuckerberg received more than \$6 million per day, or \$5,133 per minute. With a base salary of "only" half a million dollars, the vast bulk of his compensation came from exercising over 60 million shares he received during Facebook's initial public offering last year.

The other members of the top ten likewise accrued almost all of their income from gains in the stock market, receiving a total of \$3.3 billion from stock options compared to cash pay of \$16.2 million.

Despite the stagnant state of the real economy, stock values have soared, with the Dow Jones Industrial Average up by over 15 percent over the past year and more than 132 percent since 2009.

Ruel told the *Guardian* that a rising stock market "allows executives to reap large rewards, stemming from equity grants that number in the hundreds of thousands and sometimes millions of units per grant." He added that "compensation committees continue to grant large blocks of equity that will reward any increase in stock price."

The poll by GMI found an average increase in compensation of 8.47 percent for the more than 2,000 CEOs it surveyed. The average pay for a chief executive of a Fortune 500 company hit \$13.7 million, according to GMI.

According to the Forbes 400 report issued in September, the 400 richest people in America increased their wealth by 17 percent in 2013, their collective wealth rising from \$1.7 trillion to just over \$2 trillion.

The wealth of these 400 individuals is more than twice the amount necessary to cover the federal budget deficit, which is being used as the justification for slashing food stamps, education, housing assistance, and health care programs.

One statistic starkly illustrates the staggering growth of social inequality in America. The income share of the top one percent of society nearly doubled from 1979 to 2010, increasing from 10 percent to 19.8 percent.

The widening chasm separating the rich and the super-rich from everyone else is bound up with the decay of the productive infrastructure of American capitalism and the growing role of financial speculation. A recent study published in the *American Economic Review* found that between 1982 and 2011, the portion of the Forbes 400 who received their wealth from finance rose dramatically—from 4.4 percent to 20 percent.

The income of a typical household in the United States has fallen to the lowest level since 1989, while poverty is at the highest level in decades, according to a report issued by the US Census Bureau last month. Since 1999, the median household income has fallen by nearly ten percent, adjusted for inflation.

Poverty and social misery are reaching epidemic levels. A study released earlier this month by the Southern Education Foundation found that nearly half of public school children in the United States were in poverty in the school year that ended in 2011. Of the world's 45 wealthiest countries, the United States has the second-highest level of child poverty, coming in after Romania.

Even as the Federal Reserve has continued to pump \$85 billion into the financial system every month, the Democrats and Republicans have aggressively slashed spending on measures that benefit working people, including the \$85 billion in “sequester” cuts this year alone.

Now, in the aftermath of the government shutdown, the Obama administration and Congress are conspiring to slash hundreds of billions more from basic social programs such as Medicare and Social Security.

A temporary increase in food stamp (Supplemental Nutrition Assistance Program—SNAP) benefits introduced in 2009 is scheduled to expire at the end of this month, leading to benefit reductions of over \$300 a year for a family of three. After the cuts, SNAP assistance will amount to less than \$1.40 per person per meal, according to the Center on Budget and Policy Priorities.

Meanwhile, the federal Emergency Unemployment Compensation program, which provides extended unemployment benefits beyond the 26-week cutoff for most state unemployment assistance programs, is scheduled to expire in December.

The claim that “there is no money” to maintain these programs is belied by the obscene levels of wealth being monopolized by a tiny layer of parasites at the top.

The continued enrichment of the super-wealthy through government handouts to the financial markets, even as vital social programs are being gutted, reflects the complete subordination of the political system and both major parties to the corporate-financial elite. The existing—capitalist—system means poverty and social misery for ever wider sections of the population. The fight for the most elementary social rights—a decent-paying, secure job; education; housing;

health care; a comfortable retirement—requires a conscious struggle by the working class for a system based on social equality—that is, socialism.