So You DON'T Think the Game is Rigged ...

by Jake Johnson via jane - CommonDreams *Saturday, Jul 22 2017, 8:24am*
international / prose / post

Worker Wages Flat, But Since 1978 CEO Pays Have Soared by an 'Outrageous' 937%

> *It is no secret that labor force wages have remained static and in some cases have gone backwards for decades, however, the executive bankers and corporatists are having a picnic at OUR expense.*
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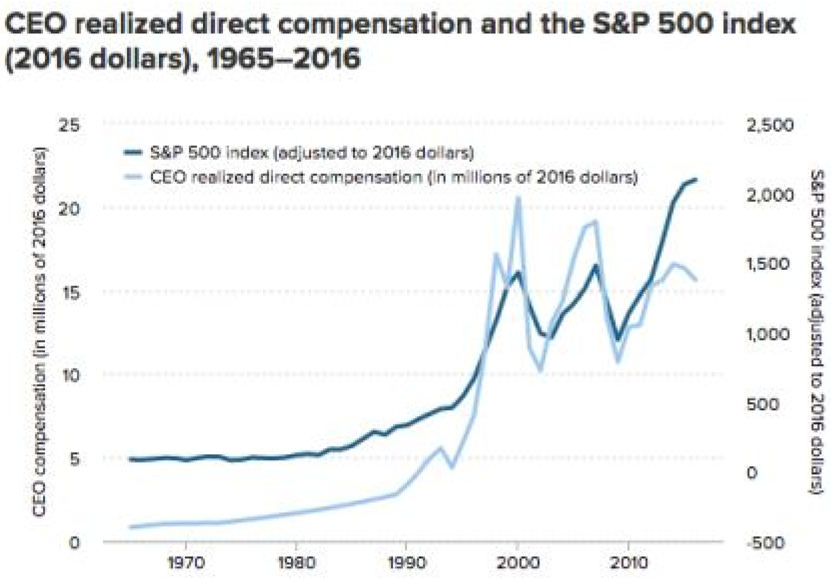
> *The first reaction to the accurate news below is of course, how did this happen? The short answer is WE the masses have allowed ourselves to be duped and robbed in order for elites to ride high on the hog. New analysis shows how corporate bosses rake in huge salaries and bonuses as inequality continues to soar. Read on:*



Wages for most American workers have remained basically stagnant for decades, but a new report published on Thursday by the Economic Policy Institute (EPI) shows that the CEOs of America's largest firms have seen their pay soar at a consistent and "outrageous" clip.

Between 1978 and 2016, CEO pay rose by 937 percent, EPI's Lawrence Mishel and Jessica Schieder found. By contrast, the typical worker saw "painfully slow" compensation growth—11.2 percent over the same period.

Mishel and Schieder also note that CEOs of "America's largest firms made an average of $15.6 million in compensation, or 271 times the annual average pay of the typical worker."

"While the 2016 CEO-to-worker compensation ratio of 271-to-1 is down from 299-to-1 in 2014 and 286-to-1 in 2015, it is still light years beyond the 20-to-1 ratio in 1965 and the 59-to-1 ratio in 1989," the report observes. "The average CEO in a large firm now earns 5.33 times the annual earnings of the average very-high-wage earner (earner in the top 0.1 percent)."

EPI's report is just the latest on an ever-expanding list of analyses documenting America's staggering income inequality, which is the worst in the industrialized world. In March, the economists Thomas Piketty, Emmanuel Saez, and Gabriel Zucman labeled the U.S. inequality crisis—the massive gap between the wealthiest and everyone else—"a tale of two countries."

"For the 117 million US adults in the bottom half of the income distribution, growth has been non-existent for a generation, while at the top of the ladder it has been extraordinarily strong," Piketty, Saez, and Zucman wrote.

Mishel points out that the vast disparity between CEO pay and average worker compensation, which EPI documents annually, "is a major driver of inequality."

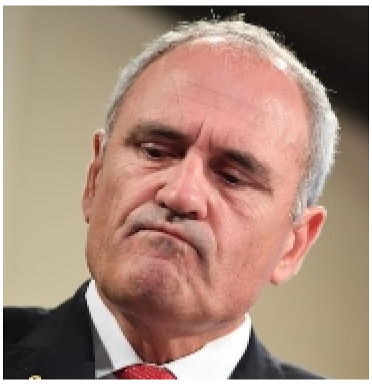
"Simply put, money that goes to the executive class is money that does not go to other people. Rising executive pay is not connected to overall growth in the economic pie," Mishel argues. "We could curtail the explosive growth in CEO pay without doing any harm to the economy."

EPI proposes several policies that would curtail executive pay and potentially put more money into the pockets of workers, including "higher marginal income tax rates at the very top" and higher taxes for companies with high CEO-to-worker pay ratios.

The Trump administration, however, has indicated that it intends to do precisely the opposite. President Donald Trump's proposed tax policies, a recent analysis found, would provide massive cuts for the rich while hiking taxes for many middle class families.

For this reason—and simply because of "history and greed"—Mishel told The Guardian he "fully expect[s] CEO compensation to escalate in the near future."

[The above disparity is reflected in most western developed nations around the world. Furthermore, we know that this massive increase in CEO/executive pay is NOT performance based, especially in Australia where one of the 'big four' major banks, NAB, is riddled with systemic and procedural problems of which most clients would be painfully familiar -- are you reading this chairman, Mr Ken Henry?]



Ken Henry -- you will have much more to frown about if you don't investigate matters and get your 'bank' in order -- be advised.

https://www.commondreams.org/news/2017/07/20/worker-wages-flat-1978-ceo-pay-has-soared-outrageous-937