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Executive Compensation on Wall Street: Taking Stock

Wall Street’s abusive, reckless, and sometimes criminal behavior caused the worst financial crisis and economic downturn since the Great Depression. 3 years later, Americans have lost trillions in wealth, retirement savings and home equity, and more than 13 million people are still out of work¹. But executive pay and profits at big Wall Street banks are back at record levels. Of the largest 25 publicly traded financial firms that have already released their 2010 earnings, the *Wall Street Journal* reported that total 2010 compensation and benefits “hit a record of \$135 billion...up 5.7% from \$128 billion in combined compensation and benefits by the same companies in 2009.”²

According to the same story, the percentage of revenue that these companies paid in compensation to their employees rose from 31.1 percent in 2009 to 32.5 percent last year. “Things are shifting back to where they were before,” said J. Robert Brown, a law professor at the University of Denver who studies compensation and corporate-governance issues.

Recent data also shows that CEO pay has increased 27 percent and the top 25 hedge fund managers have raked in a total of \$22.07 billion³. ProPublica has reported that “even while the economy took a beating and unemployment soared, average pay in the banking industry continued rising at the same rate as it had before the financial crisis,”⁴ citing an American Banker report that showed a full-time banker’s average compensation has risen 35%, at twice the rate of inflation over the last eight years.

It’s no wonder that Wall Street continues to fight financial reform that would end the ‘heads they win, tails we lose’ rules that brought on the financial crisis. Those rules work for them. Just not for the rest of us.

Key Players

	<p>JP Morgan</p> <p>JPMorgan Chase CEO and Chairman Jamie Dimon was paid \$20.8 million in 2010.⁴ Compensation 2007-2009 was \$66 million².</p> <p>Taxpayer Bailout = \$140 billion⁴ 2010 Revenue: \$102.7 billion 2010 Net Income: \$17.4 billion Total Compensation Paid in 2010: \$28.1 billion</p>
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¹ “Employment Situation Summary,” Bureau of Labor Statistics, April 1, 2011
² Aaron Lucchetti and Stephen Grocer, “On Street, Pay Vaults to Record Altitude,” *The Wall Street Journal*, Feb. 02, 2011.
³ Pat Garofalo, “Top 25 Hedge Fund Managers Make As Much As 440,000 Middle-Class Americans, But Still Get Tax Loophole,” *Think Progress*, Apr 1, 2011
⁴ Marian Wang, “Crisis? What Crisis? Average Bank Pay Kept Rising at the Same Rate,” *ProPublica*, April 1, 2011



Bank of America

Bank of America Corp. CEO Brian Moynihan received \$9.1 million in a deferred-stock bonus for 2010, in addition to his base salary of \$1.2 million, giving him total compensation of \$10.1 million, and \$20.1 million for 2007-2009⁵.

Taxpayer Bailout and Loans = \$257 billion⁶
2010 Revenue: \$111.4 billion
2010 Net Income: \$2.2 billion loss⁷
Total Compensation Paid in 2010: \$35.1 billion



Citigroup

Citigroup Inc. raised CEO Vikram Pandit's salary to an annual base of \$1.75m from an income of one dollar.⁸ His bonus has not yet been disclosed. Compensation 2007-2009 was \$41.5 million².

Taxpayer Bailout and Loans = \$134 billion⁴
2010 Revenue: \$65.6 billion
2010 Net Income: \$14.9 billion
Total Compensation Paid in 2010: \$24.4 billion



Goldman Sachs

Goldman Sachs CEO and Chairman Lloyd C. Blankfein received salary and bonuses totaling \$14.1 million in 2010. Compensation for 2007-2009 was \$54.9 million².

Taxpayer Bailout and Loans = \$637 billion⁴
2010 Revenue: \$39.2 billion
2010 Net Income: \$8.4 million
Total Compensation Paid in 2010: \$15.4 billion



Morgan Stanley

According to [Business Insider](#), Morgan Stanley Inc. awarded CEO James Gorman a \$7.4 million bonus in 2010, not including his salary which can bring his total compensation to \$15 million. Compensation in 2009 was \$6.5 million².

Taxpayer Bailout and Loans = \$1,476 billion⁴
2010 Revenue: \$31.6 billion
2010 Net Income: \$4.5 billion
Total Compensation Paid in 2010: \$16.0 billion

⁵ CapitalIQ (www.capitaliq.com)

⁶ Bailout totals from ProPublica and Federal Reserve (available at: <http://bailout.propublica.org/list/index> and http://www.federalreserve.gov/newsevents/reform_transaction.htm)

⁷ Includes \$12.2 billion in goodwill impairment charges.

⁸ "Citigroup CEO Pandit's Salary Soars \$1.75m from \$1," *Reuters*, Jan. 23, 2011.