

November 9, 2005

Statement:

The Corporate Library's new survey on CEO compensation found that the median year-on-year increase in CEO compensation doubled from 15.04 percent in last year's survey of proxy filings to over 30 percent in this year's survey. The average increase in this year's survey was 91 percent, driven by 27 CEOs receiving compensation over 1,000 percent greater than their previous year's pay. This is simply wrong as a matter of pure economics; the shareholder return on investment for outsize CEO pay packages is worse than the return on keeping your money in a piggy bank. These pay packages are a failure of capitalism and the free market, and I applaud Congressman Frank's proposal to give the power back to the people who provide the capital by improving disclosure and giving them a chance to reject proposals that undermine the company's sustainability.

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