

CEOs reap huge payouts in 2011, corporate filings show

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By [Gary Strauss](#), USA TODAY

If 2010 was a banner year for CEO pay gains, 2011 could provide even bigger windfalls.

A USA TODAY analysis of corporate filings through early July shows CEOs reaping huge 2011 payouts, largely due to stock option valuations up sharply from pre-recession levels.

"Some of the gains are humongous," says [Paul Hodgson](#), a compensation expert for GovernanceMetrics, who expects more executives to reap big 2011 payouts.

Wall Street's 2½-year bull market is fueling mega-paydays across a swath of corporate America, from aging industrial giants to young dotcom firms. Yet it also is highlighting the growing wage divide between executive suites and rank-and-file employees.

U.S. workers averaged \$46,742 in 2010, up 2.6% from 2009. A June GovernanceMetrics analysis found average compensation among S&P 500 CEOs rose to \$12 million in 2010, up 18% from 2009 — and that's not counting the potential multimillion-dollar value of stock or stock options, which are granted at set prices and provide holders profits as stock values rise.

Among CEOs cashing in:

CEO pay surges

Gains for CEOs in 2010 outpaced those for other workers.

*Includes salary, bonuses and other compensation, gains from exercised stock options, vested shares and changes in pension value and deferred compensation for CEOs at Standard & Poor's 500 companies

Sources: Governance Metrics, Bureau of Labor Statistics

•**John Hammergren, McKesson Corp.** The health care services CEO pulled in \$150.7 million, up 190% from 2010's \$51.8 million. Hammergren, 52, received \$32 million in salary, incentive pay and perks, although \$112.1 million came from exercising stock options.

- **Ralph Lauren.** The CEO of fashion powerhouse [Polo Ralph Lauren](#) received compensation worth \$75.2 million, up 53% from \$49.3 million in 2010. That includes a \$19.5 million bonus and \$37.1 million from stock options gains.

- **Mark Donegan, Precision Castparts.** The parts supplier CEO earned \$32.3 million, including \$22.4 million from stock options. That's up 58% from 2010's \$20.4 million.

- **Paul Marciano, Guess.** The fashion marketer CEO had compensation worth \$29.2 million for 2011, including \$17 million from options — up 137% from 2010's \$12.3 million.

Corporate governance experts say such paydays are excessive. "It's insane," says the Value Alliance's Eleanor Bloxham. "Corporate boards have bought into the idea that they have to pay up for performance. There'll be more of the same until institutional investors decide CEOs aren't worth what they're being paid."

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