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CEOs See Pay Fall Again

Total Compensation Slipped 0.9% in 2009, Survey Shows, as Recession Took Toll

By JOANN S. LUBLIN

The boss took another haircut as CEO compensation edged lower in 2009, the first time in two decades that pay declined for two consecutive years.

CEO-Compensation Survey

The Wall Street Journal Survey of CEO Compensation

2009 Year-Over-Year CEO Compensation by Industry

Industry	2009 Total Compensation	2008 Total Compensation	% Change
Chemicals	\$10.2 million	\$10.1 million	+1.0%
Consumer Goods	\$10.1 million	\$10.0 million	+1.0%
Energy	\$10.0 million	\$9.9 million	+1.0%
Financial	\$9.9 million	\$9.8 million	+1.0%
Health Care	\$9.8 million	\$9.7 million	+1.0%
Industrials	\$9.7 million	\$9.6 million	+1.0%
IT	\$9.6 million	\$9.5 million	+1.0%
Media	\$9.5 million	\$9.4 million	+1.0%
Pharmaceuticals	\$9.4 million	\$9.3 million	+1.0%
Real Estate	\$9.3 million	\$9.2 million	+1.0%
Retail	\$9.2 million	\$9.1 million	+1.0%
Technology	\$9.1 million	\$9.0 million	+1.0%
Telecommunications	\$9.0 million	\$8.9 million	+1.0%
Transportation	\$8.9 million	\$8.8 million	+1.0%
Utilities	\$8.8 million	\$8.7 million	+1.0%
Other	\$8.7 million	\$8.6 million	+1.0%
Total	\$6.95 million	\$7.05 million	-0.9%

The median value of salaries, bonuses, long-term incentives, and grants of stock and stock options for the chief executives of 200 major U.S. companies declined 0.9% to \$6.95 million, according to an analysis for The Wall Street Journal by the Hay Group management consultancy.

The drop in total direct compensation was only the third since 1989, when the Journal began tracking CEO pay. In 2008, pay fell 3.4%. The analysis also showed that highly paid CEOs generally run companies that deliver better-than-average shareholder returns.

Charles Ergen, CEO and founder of Dish Network Corp., earned the distinction of having the harshest drop in pay. He drew a \$623,100 salary that was 92.5% lower than his 2008 total compensation, even though the company's stock doubled.

Jeffrey R. Immelt, chief executive of General Electric Co., declined a bonus for the second straight year, pushing his total pay lower by 4.7% to \$5.1 million. GE's stock fell 6.6% last year.

In contrast, Ray R. Irani, CEO of Occidental Petroleum Corp., collected \$52.2 million, making him the highest paid executive surveyed. Mr. Irani has been among the Journal's best paid every year since 2004. The company's stock rose 36% last year.

This year's overall decline reflected the recession, government controls and continued public outcry over big pay packages. Long-term incentive awards, mostly stock and stock options, were hardest hit, falling 4.6% to a median \$5 million. Median means half the CEOs made more and half made less. Salaries and bonuses rose 3.2% to \$2.64 million.

See the full results of the Wall Street Journal's 2009 pay survey.

A Proxy-Statement Primer

See a guide using excerpts of proxy statements from three companies.

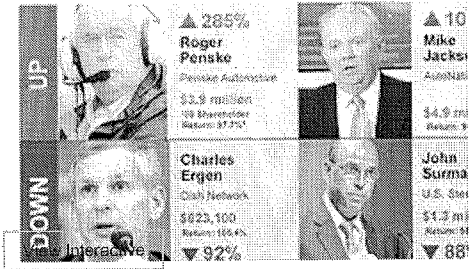
Company	Section	Text Excerpt
Company A	Executive Compensation	The Board of Directors has approved the following compensation for the CEO for the year ending December 31, 2009: Base Salary: \$1,000,000; Bonus: \$500,000; Long-Term Incentive: \$1,500,000.
Company B	Director Compensation	The Board of Directors has approved the following compensation for the Chairman of the Board for the year ending December 31, 2009: Retainer Fee: \$200,000; Meeting Fees: \$100,000.
Company C	Shareholder Information	The following table shows the percentage of shares owned by each director and executive officer as of March 31, 2010.

See a guide using excerpts of proxy statements from three companies.

The Boss's Pay

Winners and Losers

The biggest percentage changes in total direct compensation for 2009



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As the recession deepened in late 2008, "many boards lowered targets for 2009—and so some CEOs collected bonuses even as profits declined," said Irv Becker, head of Hay's U.S. executive-compensation practice.

Pay curbs appear to be ending. Several companies recently thawed frozen salaries or canceled pay cuts. Pfizer Inc. in February lifted a pay freeze that hit Chief Executive Jeffrey Kindler, lifting his pay to \$1.8 million from \$1.6 million.

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