New Report Shines Light on the 100 Most Overpaid CEOs in S&P 500

As You Sow Analysis Highlights Companies with High Pay and Poor Performance

OAKLAND, CA – February 12, 2015 – A new report from nonprofit As You Sow looks at the executive compensation packages at S&P 500 companies, highlighting the 100 most overpaid CEOs and examining the forces behind the trend of ever-increasing CEO pay. CEO pay has grown nearly 1,000% over the past four decades, far exceeding the growth in share prices, and the pay of the median worker, which has stagnated.

"Skyrocketing CEO pay packages represent a misallocation of assets that is detrimental to investors, and a driver of wider social inequality," said Rosanna Landis Weaver, report author and Program Manager of As You Sow's Executive Compensation initiative. "This is an issue that effects everyone – the pay packages analyzed in this report are from the companies that the majority of retirement funds are invested in. If someone has a 401(k) through their employer, it's likely they are invested in a company with an overpaid CEO."

Combining statistical analysis and an in-depth examination of over 30 'red flag' indicators, the report methodology found widespread consensus on the worst actors, companies with huge pay packages that showed relatively weak shareholder returns. **Nabors Industries**, **Oracle**, **Freeport McMoran**, and **CBS** emerged as some of the worst offenders, showing a large gulf between CEO pay and shareholder returns.

The 100 Most Overpaid CEOs: Executive Compensation at S&P 500 Companies also examines the voting records of mutual funds on executive compensation packages, identifying those that are uncritically rubber-stamping the recommendations of the compensation committees. In addition, members of the compensation committees that recommend these excessive pay packages are put under the microscope, with a focus on those serving on multiple committees of companies on the 100 most overpaid list.

"Excessive CEO pay packages don't just take money from shareholders and pose a risk for the destruction of shareholder value, they also prevent corporations from paying decent wages to their employees," said investor Steve Silberstein. "Now that we've identified the most overpaid, institutional investors and compensation committee directors should be re-examining their assumptions and advocating for more reasonable CEO pay."

"We cannot look to the government to solve this problem. And we cannot expect members of the board, selected, informed, and paid by insiders, to solve it," said Nell Minow, journalist and noted corporate governance expert. "Shareholders are in the best position to put pressure on directors – and replace them, if necessary – to make sure that CEO pay promotes sustainable, long-term growth of share value, instead of unsustainable, long-term growth of CEO net worth."

# # #

CONTACT: Andrew Montes, (510) 735-8144, amontes@asyousow.org