

"How much can we afford to pay them?"

As we (hopefully) come out of the worst days of the pandemic, much attention has been paid to enhanced unemployment benefits, and the question of whether these payments might be deterring people from taking new jobs that could pay them less. A related question has been how much we can afford to pay people, and whether paying higher (living wage?) salaries might trigger inflation and other damage to the economy.

A related question that I have not heard is, how much can we afford to pay CEOs and other upper management positions while still having a robust, growing economy? A recent Star Tribune article on the 50 highest paid CEOs in Minnesota companies found that "(t)he 50 CEOs on this year's list realized a combined \$647.2 million, a 70% increase, from the same list a year ago. The median compensation among the 50 CEOs was \$4.6 million, a 7% increase over the prior year." (https://www.startribune.com/minnesotas-50-highest-paid-ceos-with-no-1-hitting-108-2m/600066316/?utm_source=newsletter&utm_medium=email&utm_campaign=best_of)

It is not my place to say whether it is right or wrong for any or all of these individuals to be paid that much money. I would ask however, how many of these companies are paying *all* of their employees enough money and benefits (health insurance, sick and family leave time, etc.) for their families to live on and perhaps even thrive?

I do not ask this question as a "socialist", but rather from a capitalist perspective: to the extent that people are able to feed and clothe themselves and their families, most will be able to be more productive employees due to reduced stress and a greater sense of worth, and will not need to rely on government subsidies which we all pay for, except perhaps those companies and individuals who are somehow able to avoid paying taxes.

This is not just a well-meaning theory. Gravity Payments, a Seattle-based credit card-processing company has done just this, and saw its revenue triple in six years by paying all of its employees a \$70,000 minimum wage, practicing the principle of "always invest(ing) in people" (<https://thehill.com/news-by-subject/finance-economy/548480-ceo-who-gave-all-employees-70k-minimum-wage-says-6-years>). On a similar vein locally, years ago Punch Pizza began to voluntarily pay its employees above the minimum wage, and just recently announced it will pay all employees \$15.00 an hour with other career incentives; the wisdom of this management strategy comes through in every delicious bite. (<https://minnesota.cbslocal.com/2021/04/23/punch-pizza-announces-15-starting-wage-and-other-career-incentives/>)

I congratulate the top 50 Minnesota CEOs for their personal success during this past, remarkably trying year, and ask them to consider sharing more of their earnings with the employees who made their success possible. As the late Senator Paul Wellstone famously said, "We all do better when we all do better." We can all do better, indeed.

Donald Gault Building Peaceful Community Roseville, Minnesota July 17, 2021