

ONE REASON WE DON'T HEAR ABOUT INCOME INEQUALITY: MEDIA EXECS AMONG THE RICHEST

David Cay Johnston has a must-read piece on what the most recent payroll tax data shows about growing income inequality. He shows that total wages have fallen 5% since 2007, largely because so many fewer people are making any income.

Every 34th wage earner in America in 2008 went all of 2009 without earning a single dollar, new data from the Social Security Administration show. Total wages, median wages, and average wages all declined, but at the very top, salaries grew more than fivefold.

[snip]

Measured in 2009 dollars, total wages fell to just above \$5.9 trillion, down \$215 billion from the previous year. Compared with 2007, when the economy peaked, total wages were down \$313 billion or 5 percent in real terms.

The number of Americans with any wages in 2009 fell by more than 4.5 million compared with the previous year. Because the population grew by about 1 percent, the number of idle hands and minds grew by 6 million.

He also notes how the very rich are getting very richer.

The number of Americans making \$50 million or more, the top income category in the data, fell from 131 in 2008 to 74 last year. But that's only part of the story.

The average wage in this top category increased from \$91.2 million in 2008 to an astonishing \$518.8 million in 2009. That's nearly \$10 million in weekly pay!

[snip]

In the Great Recession year of 2009 (officially just the first half of the year), the average pay of the very highest-income Americans was more than five times their average wages and bonuses in 2008. And even though their numbers shrank by 43 percent, this group's total compensation was 3.2 times larger in 2009 than in 2008, accounting for 0.6 percent of all pay. These 74 people made as much as the 19 million lowest-paid people in America, who constitute one in every eight workers.

At the same time, he notes that this story—which should have been told after the numbers were released on October 15—went unmentioned.

Not a single news organization reported this data when it was released October 15, searches of Google and the Nexis databases show. Nor did any blog, so the citizen journalists and professional economists did no better than the newsroom pros in reporting this basic information about our economy.

Now, Johnston doesn't provide a list of who those 74 people are that make as much as the 19 million lowest paid Americans. But for shits and giggles, I wanted to see who Fortune—which loves to idolize these people—lists. Mind you, they're clearly measuring different things, because Fortune's numbers are smaller than the payroll tax numbers (presumably, this excludes a bunch of executives of privately held companies). But take a look at what industries are dominating Fortune's best-paid men, plus the two women whose salaries match those of the men in the top

1. Greg Maffei, Liberty Media, \$87.5 million
2. Lawrence Ellison, Oracle, \$70.1 million
3. Fred Hassan, Merck, \$49.7 million
4. Carol Bartz, Yahoo, \$47.2 million
5. Mario Gabelli, GAMCO Investors, 43.6 million
6. Mel Karmazin, Sirius, \$43.5 million
7. Leslie Moonves, CBS, \$43 million
8. Safra Catz, Oracle, \$36.4 million
9. Michael Jeffries, Abercrombie & Fitch, \$36.3 million
10. Robert Bertolini, Merck, \$35.1, million
11. Marc Casper, Thermo Fisher Scientific, 34.1 million
12. Philippe Dauman, Viacom, \$34.0 million
13. John Hammergren, McKesson, \$33.9 million
14. J. Raymond Elliott, Boston Scientific, \$33.4 million
15. Ray Irani, Occidental Petroleum, \$31.4 million
16. Stephen Burke, Comcast,

\$31 million

17. Charles Phillip Jr., Oracle, \$30.1 million
18. Glen Senk, Urban Outfitters, \$29.9 million
19. Thomas Montag, Bank of America, \$29.9 million
20. Dennis Strigl, Verizon, \$29.0
21. Thomas Kurian, Oracle, \$28.5 million
22. Ralph Lauren, Polo Ralph Lauren, \$27.7 million
23. Thomas E. Dooley, Viacom, \$27.0 million
24. Thomas M. Rutledge, Cablevision, \$26.0 million
25. Raymond Plank, Apache, \$25.8 million
26. Daniel H. Mudd, Fortress Investment Group, \$25.7 million
27. Timothy Armstrong, AOL, \$25.6 million

Now, obviously, this is not an apples to apples comparison to the 74 richest people Johnston is talking about. Indeed, it's not even clear how many of these, calculated using payroll tax data, would be in Johnston's group; perhaps only Maffei and Ellison would be (Fortune's list of top CEO compensation is another list, though only 8 of them make more than Johnston's \$50 million threshold; that list is dominated much more by energy and medical companies). So these are really a snapshot of the paupers among the

richest of the rich.

But it provides a list of who the top paid executives in public companies were in 2009.

And 10 of the 27 top paid executives, according to Fortune, were in media.

There's a reason why no one is telling the story of America's increasing income inequality.

That's because the people telling the story work for some of the people most benefiting from it.