



## **DESPITE FINANCIAL CRISIS AND POOR COMPANY PERFORMANCE, CEO PAY DOWN ONLY SLIGHTLY IN 2008**

*FOR IMMEDIATE RELEASE*

**Portland, Maine; September 24, 2009** – As the S&P 500 index tumbled more than 37 percent in 2008, CEO compensation barely fell, according to a report from The Corporate Library, an independent corporate governance and executive compensation research firm. Median total annual compensation for the companies included in the study declined by 0.08 percent in 2008, suggesting that the link between CEO pay and firm performance remains very weak. The report includes data from more than 2,700 public companies, more than any other [CEO pay study](#) released so far this year.

“While these findings are historic, in that we have never seen a decline in CEO compensation since we began this series of surveys in 2002, if there were ever an argument that pay is fatally divorced from performance then this is surely it,” said Senior Research Associate Paul Hodgson, co-author of the report.

The Corporate Library’s 2009 CEO Pay Survey, also co-authored by Research Associate Greg Ruel, was previewed in a webinar, [“Big Pay, Poor Performance,”](#) which is available as a free download. The webinar includes an analysis (not available in the report) of the CEO pay packages of five companies where the pay/performance link was most starkly broken in 2008.

Other key findings from the report include:

- The median decrease in total realized compensation was 6.38 percent, which is still well out of line with the economic downturn. (Total realized compensation includes the value realized on vesting of shares, option value realized, pension/non-qualified deferred compensation earnings and pension pay in the last year.)
- Approximately 75 percent of CEOs included in the study received a base salary increase in 2008, up from 73 percent in 2007.
- More CEOs saw declines in realized compensation in 2008 than in 2007 (just over 56 percent and 40 percent, respectively).
- Oracle CEO Lawrence Ellison is the only CEO to appear in The Corporate Library’s list of the top ten highest paid CEOs in both 2007 and 2008, having earned approximately \$750 million in realized compensation over the period.

The Corporate Library’s 2009 CEO Pay Survey is available for \$125 from [The Corporate Library’s online store](#).

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### **About The Corporate Library**

For ten years, The Corporate Library has been the leading independent research firm providing corporate governance information products, research services and data to a broad variety of clients including institutional investors, corporations, D&O liability insurers, law firms, accounting firms, executive search firms, academic institutions and the media. The Corporate Library

produces the definitive ratings of U.S. corporate boards of directors, allowing businesses that subscribe to the service to evaluate governance as an element of investment and other risk. The Corporate Library is also a leading publisher of corporate governance reports and studies, including reports on CEO employment contracts, governance practices, mutual fund proxy voting, and executive and director compensation, which its analysts compile using its extensive database of over 3,200 public companies and over 47,000 executives and directors. Additional information on The Corporate Library and its suite of online corporate governance data and analysis products can be found on its website at [www.thecorporatelibrary.com](http://www.thecorporatelibrary.com).

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