

## CEO pay slightly declined in 2022

But it has soared 1,209.2% since 1978 compared with a 15.3% rise in typical workers' pay

**Summary:** CEO pay dipped in 2022 but remains enormous compared with the pay of other workers. CEOs are granted massive compensation packages by corporate boards because of their bargaining power, not because of their skills. CEOs' exorbitant payouts have far outpaced the pay of typical workers over decades.

**EPI**

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By Josh Bivens and Jori Kandra

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### Key findings

- CEO pay is linked strongly to the stock market—and market declines in 2022 led to an uncharacteristic dip in CEO pay.
- Cumulatively, however, from 1978–2022, top CEO compensation shot up 1,209.2% compared with a 15.3% increase in a typical worker's compensation.
- In 2022, CEOs were paid 344 times as much as a typical worker in contrast to 1965 when they were paid 21 times as much as a typical worker.
- To illustrate just how distorted CEO pay increases have gotten: In 2021, CEOs made nearly eight times as much as the top 0.1% of wage earners in the U.S.

### Why this matters

Exorbitant CEO pay is not just a symbolic issue—it has contributed to rising inequality. CEOs are getting paid more because of their leverage over corporate boards, not because of contributions they make to their firms. Escalating CEO pay in recent decades has likely pulled up the pay of other top earners. This concentration of earnings at the top leaves fewer gains for ordinary workers.

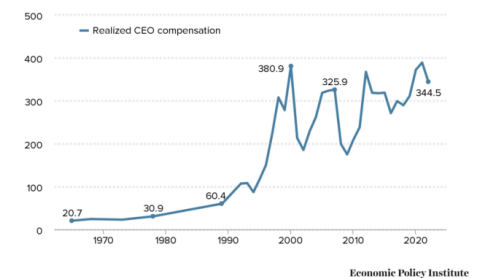
### How to fix it

Policies that limit CEOs' ability to collude with corporate boards to extract excessive compensation are needed to prevent the U.S. from becoming a winner-take-all society. These policies could include reinstating higher income tax rates at the very top, using tax policy to incentivize lower CEO pay, allowing shareholders to vote on CEO compensation, and using antitrust enforcement and regulation to rein in the market power of the largest firms.

### Charting the problem

**CEOs make 344 times as much as typical workers**

CEO-to-worker compensation ratio, 1965–2022



The overall economy would suffer no harm if CEOs were paid less (or taxed more), and most workers would see gains.