

# Karen Telleen-Lawton: Who Should Support the American Worker?

Corporations pay their CEOs absurdly high figures while lower ranks are so underpaid as to require taxpayer assistance

By Karen Telleen-Lawton, Noozhawk Columnist | Published on 10.17.2011 7:19 p.m.



I watched a [CNN](#) report recently chronicling a low-level manager whose anxiety was palpable. She barely was able to support herself and her two children. What she desperately wanted was to save a little from every paycheck, for emergencies and for her children's education.

The interviewer noted that her annual salary of \$25,000 was above the poverty line so she couldn't collect government aid. He questioned whether the poverty level was set too low, keeping this breadwinner-in-need from supporting her family. I'd like to suggest an alternative: A manager job, even the lowest level of manager job, should pay salary and benefits sufficient to keep a typical family from needing public assistance.

This seems like a pretty easy question. Who should support the American worker? I'm guessing virtually everyone would answer that the worker should support his or her own family. This means that a manager — heck, even a full-time, high school educated, healthy blue-collar worker — should earn enough to pay the necessary costs of life. That is the purpose of a job.

But what if a company can't afford to pay a living wage? Should we taxpayers take up the slack? Many small companies merely scrape by, their owners spending all their waking hours on the business, second-mortgaging their homes to keep it afloat. In small companies, it's common and appropriate that everyone shares in the success or failure of the venture to some extent.

However, a study by the [Institute for Policy Studies](#) found that the ratio of average executive pay to rank-and-file pay was 30-to-one. Oops, that was in the 1970s. In 2010, CEOs of the country's [S&P 500](#) companies made, on average, 319

times more than the average American worker. It doesn't take many multimillion-dollar packages to render unsustainable a living wage for the rank and file.

The CNN story concerned a [Walmart](#) manager, but pay issues affect the majority of large corporations. [United Therapeutics](#)' CEO, for example, brought home a total compensation at the very bottom of the "top 100" CEOs in 2010: \$17,620,808. ([Viacom](#) was at the top, with CEO total compensation of \$84,515,308 in 2010; Walmart was about 90th on the list with \$18,712,721.) Managers at United Therapeutics earn about \$90,000 to \$130,000. So the ratio between highest to lowest managers' pay is about 200-to-1.

As the [Senate](#) majority leader disclosed on the Senate floor last July, during the past quarter-century, four-fifths of the income gains accrued to the top 1 percent of individuals. Is this a recipe for a healthy democracy? Is it sustainable?

If there's something wrong with this picture, then it's important to discern what can be done to keep corporations from shifting to the American taxpayer the burden of paying their own workers. The model we are moving toward — no, the model we are in — is that corporations have been allowed to pay their top echelon absurdly high figures while allowing their lower ranks to be so underpaid as to require taxpayer assistance.

That's not fair to taxpayers, and whatever your political leanings, that's not the American way.

— *Karen Telleen-Lawton's column is a mélange of observations supporting sustainability. Graze her writing and excerpts from Canyon Voices: The Nature of Rattlesnake Canyon at [www.CanyonVoices.com](http://www.CanyonVoices.com).*