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“ Executive Excess 2008: How Average Taxpayers Subsidize Runaway Pay,” by author Sarah Anderson, the author takes a look into top CEO compensation plans and how the rich are saving on taxes.

The article begins by stating Its opinion on this matter, which is described in the article as unlawful and unjust. The author strongly believes that it is unfair for Coo’s to be paid so highly, and on top of that to be able to utilize tax strategies that create even more wealth for them.

This Is argued throughout the article. The first topic that the article touches on are tax subsidies for sigh Income earner top executives, and tax loopholes that are Involved with the matter. The article states that, “ The U.

S. Tax code currently Is riddled with loopholes that allow top corporate and financial leaders to avoid paying their fair share of taxes. ” The strategy of preferential capital-gains treatment of carried Interest Is discussed In which executives are saving hundreds of thousands of dollars In taxes.

As the author points out, It may seem that these high Income earners would not need extensive help in the tax field, but they actually heavily utilize tax loopholes. The second strategy discussed in the article is unlimited deferred compensation plans. Executives are deferring huge amounts of cash now, and withdrawing when they are taxed at lower levels.

In comparison, the average tax paper is locked down with strict limits on how much income can be deferred, being left with the higher cost in taxes.

An astonishing example is given in the text which shows that an executive that defers and is taxed on $100 is left with $104, which an average tax paper is taxed on the amount and then left with a mere $89 after an investment strategy is put into place. Another form of deferred compensation strategy that is being utilized by top executives is the offshore deferred compensation plan in which money is being transferred into such plan across national borders. The article states that, “ Businesses registered in offshore tax havens..

. Eve little or nothing to lose by allowing their employees to accumulate boatloads of compensation in deferred accounts…

Havens allows them to sidestep the U. S. Tax liabilities they would otherwise face. ” The last two strategies discussed in the article are unlimited tax deductibility of executive pay and stock option accounting double standards. Throughout the article, the author includes real life examples of companies in which such Instances are occurring.

Anderson makes it clear to the reader that she Is oppose to the entire handling of such executives and the way In which they are compensated.

In the article, “ Don’t Mess with CEO Pay,” by author Air T. Kay, the author discusses how COOS are compensated fairly, In comparison to their workload and market conditions. The article poses the argument that perhaps It Is not the top executives that are being too highly compensated, but rather that front line employees are not uncompensated enough. The author argues that much of public frustration Is fueled by mythical assumptions Involving compensation of companies.

The article states that, “ The press accounts ignore solid research that shows that annual pay for most executive’s moves up and down significantly with the commands performance, both financial and stock related.

” The article also focuses on the fact that although some companies are at fault for tampering with cash and collection, there is a huge made very clear in the article that according the author, and his experiences, he lives that executives are never compensated much more then what they deserve.

Ultimately, this article sums up why Coo’s are paid so highly, and why it is valid for them to be paid at these high levels in corporations. The strength in the first article is most definitely in its extensive evidence behind the author’s beliefs. Anderson provides the reader with real companies and real compensations and strategies that are being utilized in order to receive the highest benefit. Providing the reader with a concept, and then backing it up with an example truly provides a full circle experience for the reader.

Many times it is easy to read sentences, and never really understand what is being said, but with this method, the information is taken in and evaluated. The author of the first article does a great Job at explaining many strategies that top executives are using today, and have been in past decades. I found the article to be a very interesting read, and perhaps my favorite of the semester thus far. The strength in the second article can be seen in its direct approach which does not try and fluff any information, but instead takes on the frankly what the author believes to be true and addresses many misconceptions that an be seen in the media.

The article states in its section titled, hard realities, “ The corporate scandals of recent years laid bare the inner workings of a handful of public companies where, inarguably, the proves for setting executive pay violated not only the principle of pay-for-performance but the extensive set of laws..

. ” The author is not hesitant to address the opposing side to the argument that is being made in the article, and I believe this to be a major strength as many authors solely focus on the point being made. The weakness in the article, “ Executive Excess 2008: How Average

Taxpayers Subsidize Runaway Pay,” by author Sarah Anderson, can be seen in its one sided approach to the take on CEO compensation. In reference to the second article, a lot of the material discussed in the first article does not take into consideration market conditions and pay by performance concepts. Andersen’s take on the situation is extremely opinionated, and for this reason I would acknowledge that this can pose to be a weakness in the article.

It would have been nice to see a brief secondary outlook in the authors take on the entire situation.

The weakness that can e seen in the second article is its lack of factual evidence to support its arguments. Unlike the first article, in which real companies are analyzed, the second article does not directly address any particular company to provide evidence for its argument. Although it is discussed that the author has visited and researched “ many companies,” adding the names of these corporations would have provided more insight for the reader, which would benefit the entire argument that is being made. In my opinion, both articles were very interesting and captivating, but I particularly enjoyed reading the article by Anderson.