

The question of whether CEOs are paid too much is a contentious one, and there are arguments on both sides :

Arguments in favor of CEO pay: The big paychecks executives receive are mostly determined by the demand for and supply of talent. In 2021, the CEO-to-worker pay ratio was 320 to 1, up from 61 to 1 in 1989. Exorbitant CEO pay is a contributor to rising inequality that we could restrain without doing any damage to the wider economy. A study found that the highest-paid CEOs generated three-year stock returns that were 60% higher than those of other firms in their industries.

Arguments against CEO pay: The gap between executive compensation and average worker pay has been growing for decades. If the market rate of compensation reflects what a CEO's time is worth, CEOs are not overpaid but rewarded appropriately. Most CEOs deserve their pay for increasing the value of their companies.