# CEO Compensation in S&P 500 Companies Spikes by 12.6% in 2023, Widening Pay Disparity



The median compensation package for CEOs of companies in the S&P 500 saw a significant increase of 12.6% in 2023, rising to $16.3 million, as reported by data analyzed for the Associated Press by Equilar. This increase comes at a time when wages and benefits for private-sector workers rose by 4.1%, exacerbating the pay disparity. At half of the surveyed companies, it would take a median worker nearly 200 years to earn what their CEO makes in a single year.

Data from the survey, which included 341 executives from S&P 500 companies, highlighted the top earners. Hock Tan, CEO of Broadcom, received the highest compensation at approximately $162 million, largely from stock awards. Other high earners include William Lansing of Fair Isaac Corp. ($66.3 million), Tim Cook of Apple Inc. ($63.2 million), and Ted Sarandos, co-CEO of Netflix ($49.8 million).

Despite rising worker wages post-pandemic, the pay gap between CEOs and employees has widened. Historical data shows that the current pay ratios are significantly larger than those seen before the 1980s when CEOs earned about 40-50 times the average worker’s pay.

Shareholder approval for executive pay packages remains high, with nearly 90% of executive compensation plans receiving support from 2019 to 2023, although some companies, like Netflix, have faced backlash leading to policy changes. Netflix will remove stock options and move to restricted stock, with changes effective in 2024, after shareholder consultations.

CEO compensation trends show ongoing substantial increases, reflecting company strategies to retain leadership amid post-pandemic market conditions, despite growing scrutiny from workers and some shareholders.