

**A Lot to Lose: the U.S. Chamber's Fight to Protect
Its Richest Corporate CEOs' Wallets**



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A Lot to Lose: the U.S. Chamber's Fight to Protect its Richest Corporate CEOs' Wallets

On behalf of corporate CEOs who would personally gain hundreds of thousands of dollars – or in some cases, even millions – the U.S. Chamber of Commerce has been lobbying heavily for a permanent extension of the Bush Tax Cuts for the wealthy. The CEOs for whom the U.S. Chamber is lobbying include some of the wealthiest executives in the nation, who make tens of millions of dollars in annual income; bankers like Jamie Dimon of JPMorgan (average income: \$21,991,394), Lloyd Blankfein (average income: \$31,949,089), and John Stangfeld of Prudential Financial (average income: \$16,375,447); coal mining executives like Massey Energy's Don Blankenship (average income: \$12,739,276); and insurance company CEOs like Ronald Williams of UnitedHealth and Angela Braley of Wellpoint (average income: \$16,196,989 and \$12,204,978, respectively).¹ Each of these CEOs stands to personally gain at least \$700,000 to \$1.7 million if the Bush Tax Cuts are extended.

Unsurprisingly, the U.S. Chamber does not highlight the personal benefits the Bush tax cuts provide for these millionaire executives, but as demonstrated in press reports last week and in the U.S. Chamber's own tax filings, these are the CEOs who fund and determine the U.S. Chamber's agenda.² And the Chamber is spearheading this CEO-driven effort despite clear evidence that the tax cuts would actually hurt the American business community it claims to represent: the cuts would add hundreds of billions to the deficit and limit the effectiveness of on-going efforts to revive the American economy and create jobs. According to the tax policy group Citizens for Tax Justice (CTJ),

Fiscal responsibility, job creation, and tax fairness all depend on Congress allowing the Bush tax cuts for the rich to expire at the end of this year as scheduled. According to figures from the Treasury, extending the Bush income tax cut for the richest 2 percent would cost \$678 billion over a decade.³

The U.S. Chamber has apparently chosen to ignore the destructive impact the extension would have on the middle class and rebuilding the economy as a whole. Equally troubling, the U.S. Chamber has even *opposed* tax reforms that actually would benefit mainstream American businesses and incentivize creation of American jobs. For example, the Chamber opposed a payroll tax holiday for companies that brought jobs back to the United States from overseas, arguing that Congress must focus on the "big picture:" "all 2001 and 2003 expiring tax provisions."⁴ But in fighting for an extension of the Bush tax cuts, the U.S. Chamber is doing nothing more than ensuring a personal perk for the people that pay its bills.

New research on U.S. Chamber CEOs' compensation by U.S. Chamber Watch and tax analysis by Citizens for Tax Justice⁵ illustrates just how much benefit these CEOs will gain from an extension of Bush Tax Cuts.

¹ See [Notes on Methodologies Used](#).

² "Insurers Gave U.S. Chamber \$86 Million Used to Oppose Obama's Health Law," [Bloomberg](#), 11/17/10; "Top Corporations Aid U.S. Chamber of Commerce Campaign," [New York Times](#), 10/21/10.

³ Citizens for Tax Justice, "Comparing President Obama's Tax Plan and Senate Republicans' Tax Plan," September 17, 2010 (avail at: link).

⁴ "Letter Urging the Senate to Oppose Consideration of S. 3816, the 'Creating American Jobs and Ending Offshoring Act,'" [U.S. Chamber of Commerce](#), 9/23/10

⁵ See [Notes on Methodologies Used](#).

Key Findings:

- Rupert Murdoch, the CEO of News Corporation, whose donation of \$1 million to the U.S. Chamber of Commerce led to well-publicized shareholder outrage, would pocket more than \$1.3 million.
- Don Blankenship, a former U.S. Chamber Board member and the CEO of Massey Energy, whose company owned the mine in which twenty-nine miners died in April 2010's mining disaster, the worst in forty years, would take home more than \$700,000.
- David Cote, the CEO of Honeywell and a member of the National Fiscal Commission, who keynoted an address to the National Chamber Foundation expressing concern about the national debt over the next ten years, would get a tax cut of over \$1.2 million.
- CEOs of big banks on Wall Street who helped collapse the economy and then used the U.S. Chamber to fight stronger financial regulations stand to reap between \$700,000 and \$1.6 million each.
- The CEOs of the health insurance industry, whose industry saw an overall increase in profits this year even while they slashed benefits and instituted breathtaking premium increases, are looking to personally benefit from another hit on the middle class by taking in between \$335,000 and \$875,000.
- U.S. Chamber president and CEO, Thomas Donohue, who has shifted the Chamber's mission from serving mainstream business to serving the interests of the CEOs whose corporations write the biggest checks, will personally gain over \$200,000.

The U.S. Chamber's Number 1 Priority: Extend the Bush Tax Cuts

The U.S. Chamber has made extending the Bush Tax Cuts its top legislative priority, and is rolling out the big rhetorical guns in defense of that position. First, it claims anyone who opposes extending the cuts is engaging in class warfare. To add a veneer of substance to its arguments, it then claims that allowing the richest Americans to keep more of their money will somehow create jobs – and that these “job creators” should not be “inhibited.”⁶ In a November 15th letter to the members of Congress supporting the permanent extension of the Bush Tax Cuts, Bruce Josten of the U.S. Chamber wrote, “Job creators are especially sensitive to tax rates and any tax increase right now would only hinder the already too weak recovery.”⁷

But this is fiction the U.S. Chamber promotes in order to protect the payouts to CEOs of the corporations that write the Chamber the biggest checks. And it is a fiction that has already been debunked multiple times: as demonstrated by non-partisan groups like CTJ and the Congressional Budget Office (CBO), there is ample evidence that the Bush tax cuts are a drain, not an asset, to the economy. As David Leonhardt of the New York Times writes, “Every available piece of evidence seems to suggest that the Bush tax cuts did little to lift growth.” In his November 2010 article, “Were the Bush Tax Cuts Good for Growth?” Leonhardt wrote:

I mean this as a serious question, not a rhetorical one: Given this history, why should we believe that the Bush tax cuts were pro-growth?

Is there good evidence the tax cuts persuaded more people to join the work force (because they would be able to keep more of their income)? Not really. The labor-force participation rate fell in the years after 2001 and has never again approached its record in the year 2000.

Is there evidence that the tax cuts led to a lot of entrepreneurship and innovation? Again, no. The rate at which start-up businesses created jobs [fell during the past decade](#).⁸

Further, there is no evidence that the “trickle down” theory of economics, which one must embrace in order to advocate for lower tax rates for the wealthy, works. Corporations, which are experiencing high earnings, are refusing to act to spur the economy – they’re not trickling down.⁹ And, when taxes were higher for the highest income bracket, the economy was doing better than it is now.

Federal taxes were higher for most Americans at the end of the Clinton years, and the economy was performing far better then than it is now. At very least, one can conclude that the Bush tax cuts did not result in the economic prosperity that their supporters promised would result. Requiring two percent of taxpayers to once again pay income taxes at rates in place during the

⁶ Chamber renews call to extend all Bush tax cuts. [U.S. Chamber of Commerce Small Business Nation Website](#), 10/19/10.

⁷ United States Chamber of Commerce, [Letter Urging Congress to Act Expeditiously to Extend the Expiring 2001 and 2003 Tax Rates and the Business Tax Provisions that Expired at the End of 2009](#), 11/15/10

⁸ David Leonhardt, “Were the Bush Tax Cuts Good for Growth?” [NewYorkTimes](#), 11/18/10.

⁹ Earnings Solid, So Why Won't Companies Part With Cash? [CNBC](#), 7/28/10; Strong corporate earnings unlikely to turn job figures around overnight. [The Hill](#), 7/29/10.

*Clinton years will not harm the economy, and neither will the President's proposal to cut the estate tax in half rather than permanently repeal it altogether.*¹⁰

Citizens for Tax Justice (CTJ) reports that that only five percent of taxpayers who rely on active business income for more than half of their income would be affected if the Bush Tax Cuts for the wealthy expires. CTJ also points out that many of the “small” business that would have to pay higher taxes are anything but the kind of mainstream, middle-class business the U.S. Chamber strives to evoke when it says “small business” would benefit. In fact, the “small” beneficiaries of the Bush tax cuts include lobbying firms, hedge funds, law firms and accounting and engineering practices.¹¹

When it comes to job creation, of all the measures currently on the table, the CBO says that the Bush tax cuts rank dead last. CTJ sums up the CBO’s report:

Extending the Bush tax cuts for the rich would limit resources that could be used to create jobs and improve the economy. The non-partisan Congressional Budget Office (CBO) recently ranked making permanent the Bush tax cuts for all taxpayers (including the rich) as the least effective policy option for creating jobs over the next couple of years.

*The CBO and most economists believe that short-term job creation is more likely to result from policies that put money in the hands of low-income and middle-income people, who are likely to immediately spend any new money on necessities that they have delayed purchasing. This increase in consumer demand will allow businesses that make and sell these products to hire more workers or avoid layoffs that would otherwise occur.*¹²

Despite its rhetoric, the U.S. Chamber is working to protect the take-home pay for the CEOs that funnel anonymous corporate money into its coffers. Some top beneficiaries of the plan are profiled below.

A Lot to Lose: the U.S. Chamber’s CEOs

Rupert Murdoch, News Corporation: Total Benefit = \$1,324,000¹³



Rupert Murdoch, the CEO of News Corporation, has been under fire for using News Corporation’s treasury to further his personal relationships and political agenda. After it was revealed that News Corp. had donated \$1 million to the Republican Governor’s Association (RGA),¹⁴ and another million the U.S. Chamber of Commerce,¹⁵ Murdoch admitted his contribution to the RGA was motivated by his support for the Republican nominee for Governor in Ohio. He also said that he expected the donation to the U.S. Chamber to remain secret and said he thought the donation was just “being a good member.”¹⁶ Murdoch’s use of corporate contributions to make political contributions

¹⁰ Why the Bush Tax Cuts for the Rich Should Expire as Scheduled. Just Taxes Newsletter, Citizens for Tax Justice, 7/2010. On file with U.S. Chamber Watch.

¹¹ The Bush Tax Cuts and Small Business. [Citizens for Tax Justice](#), 11/12/10.

¹² Citizens for Tax Justice, *supra* n. 2.

¹³ Photo Credit: UPI.

¹⁴ Fox parent gives \$1 million to RGA. [Politico](#), 8/16/10.

¹⁵ News Corp. gave \$1 million to pro-GOP group. [Politico](#), 9/30/10.

¹⁶ Kasich inspired News Corp.’s RGA gift. [Politico](#), 10/8/10.

generated an internationally publicized backlash from News Corp. shareholders.¹⁷

According to the Citizens for Tax Justice analysis, the U.S. Chamber's campaign for the extension of the Bush tax cuts could potentially garner Murdoch quite the return on the \$1 million investment in the Chamber. Except that it wasn't *Murdoch's* money he gave to the Chamber, it was News Corp.'s shareholders'. Based on a three-year average salary of \$26,523,915, Murdoch would take home an extra \$1.324 million annually if the tax cuts are extended.¹⁸

Don Blankenship – Massey Energy: Total Benefit = \$722,000¹⁹



Don Blankenship, the CEO of Massey Energy and a former U.S. Chamber Board Member, has long been the beneficiary of the U.S. Chamber's lobbying agenda. In the wake of the worst mining disaster in forty years, which killed twenty-nine miners at Massey's Upper Big Branch Mine in April 2010,²⁰ Blankenship avoided having to carry on the spectacle of arguing against increased workplace safety regulations alone. Instead, the U.S. Chamber-funded Coalition for Workplace Safety did so on his behalf as well, arguing that proposals to improve mine safety regulations and penalties were "harshly punitive," "new methods of punishment after the fact."²¹

The U.S. Chamber's lobbying not only shielded Blankenship and his company from unwanted scrutiny in opposing increased mine safety; the U.S. Chamber's lobbying to extend the Bush tax cuts could also make him millions of dollars over the next several years if the embattled Blankenship can hold on to his lucrative post at Massey. Based on a three-year average salary of \$12,739,276, Blankenship will take home an extra \$722,000 dollars a year if the tax cuts are extended.

David Cote, Honeywell: Total Benefit = \$1,203,000²²



David Cote is the CEO of Honeywell, and is a member of the Bowles-Simpson Commission, more formally known as the National Commission on Fiscal Responsibility and Reform. As a member of that commission, on October 20, 2010, Cote gave a keynote address at an event sponsored by the U.S. Chamber's 501(c)3 affiliate, the National Chamber Foundation. The event was called "Balancing Act: Federal Debt,

¹⁷ News Corp. Shareholder Objects to G.O.P. Donations. [New York Times](#), 10/13/10.

¹⁸ Three-year average compensation methodology: the three-year average compensation figures are the average yearly compensation totals as reported in each company's Summary Compensation tables in the Form Def 14A and/or 10-K filed with the Securities Exchange Commission (SEC). As reported in the companies' SEC filings, each CEO's yearly compensation totals were typically comprised of some or all of several component parts: (a) salary, (b) bonus, (c) stock awards, (d) stock option awards, (e) non-equity incentive plan compensation, (f) change in pension value and nonqualified deferred compensation earnings, and (g) all other compensation. The dollar-value for all non-cash components of compensation were based on the company's estimations of the benefits' cash value as reported in the filings.

¹⁹ Photo Credit: ABC News.

²⁰ Massey Accident, Worst Since 1970, Claims 29 Miners. [Bloomberg](#), 4/10/10.

²¹ Testimony of Jonathan Snare of the Coalition for Workplace Safety before The House Committee on Labor and Education. [House Committee on Education and Labor](#), 7/13/10; No surprise, Coalition for Workplace Safety rejects tough sanctions for employers who violate safety laws. [The Pump Handle](#), 7/13/10.

²² Photo Credit: Tribhuvan Sharma.

Deficit, and Economic Recovery,” and in his keynote address, Cote said, “the debt burden accumulated over the next ten years will sink us.”²³

The U.S. Chamber has been known to echo concerns about debt reduction, primarily in the context of reducing benefit programs like social security.²⁴ But as noted above, extending to Bush Tax Cuts for the wealthiest Americans would increase the deficit by nearly \$700 billion.²⁵ Cote, and the U.S. Chamber may be looking the other way on the deficit impact of the Bush tax cuts, because, based on a three-year average salary of \$22,440,002, Cote would take home \$1.203 million extra next year if the tax cuts are extended.

CEOs of the Big Banks on Wall Street²⁶



Despite the worst financial crisis since the Great Depression – brought about by the reckless greed of Wall Street bankers – over the past year, the U.S. Chamber has spent millions on behalf of the largest Wall Street banks and corporations²⁷ to derail rules to prevent the next financial meltdown. The U.S. Chamber deployed eighty-nine lobbyists and engaged an astroturf firm, Democracy Data & Communications, to weaken consumer protections and rules that would make massive bank bailouts less likely in the future.²⁸ The Chamber opposes nearly every effort to protect consumers, investors and small businesses: stricter regulations of fraudulent financial practices; increased regulation of risky derivatives; granting long-term and institutional shareholders the ability to nominate independent directors using the corporate proxy statement; maintaining strict accounting standards for publicly-traded firms; and new regulations of consumer financial products offered by big brokerage houses.²⁹

Prudential	John Strangfeld	16,375,447	-884,000
Charles Schwab	Walter Bettinger	16,337,325	-882,000
Wells Fargo	John Stumpf	15,059,697	-813,000
Citigroup	Vikram Pandit	13,843,503	-785,000
Bank of America	Kenneth Lewis	12,571,281	-713,000
JPMorgan	Dimon	21,991,394	-1,179,000
State Street	Jay Hooley (Ronald Logue)	19,826,044	-1,071,000
BofNY Mellon	Robert Kelly	17,677,391	-955,000
Morgan Stanley	John Mack (James Gorman)*	17,152,174	-926,000

Throughout the fight over financial re-regulation, the U.S. Chamber promoted the agenda of Wall Street CEOs that caused the Wall Street meltdown in 2008 and made huge taxpayer bailouts

²³ David Cote Asks, "Do we still have the political will to do the hard things required...?" [ChamberPost](#), 10/20/10.

²⁴ "State of American Business 2003: Address by Tom Donohue," [U.S. Chamber of Commerce](#), 1/15/03.

²⁵ Three Good Reasons to Let the High-End Bush Tax Cuts Disappear This Year. [Center for American Progress](#), 7/29/10.

²⁶ Bank of America CEO Ken Lewis, and behind him we have John Stumpf (L), CEO of Wells Fargo bank, Freddie Mac CEO John Koskinen and Richard Davis, CEO of US Bank. Photo Credit: Getty Images.

²⁷ EXCLUSIVE: U.S. Chamber of Commerce Coordinating Wall Street’s Stealth Lobbying Campaign To Kill Reform. [Think Progress](#), 4/24/10.

²⁸ EXCLUSIVE: U.S. Chamber of Commerce Coordinating Wall Street’s Stealth Lobbying Campaign To Kill Reform. [Think Progress](#), 4/24/10.

²⁹ A Credit Squeeze for Small-Business Owners. [New York Times](#), 6/19/2009.

necessary. And while the banks are holding onto reserves and not lending to help spur the economy, their CEOs are benefitting from the U.S. Chamber's push for an extension of the Bush Tax Cuts for the wealthy. The Bank CEOs who were key to the collapse of the economy stand to net bonuses of between \$713,000 and \$1.655 million each from an extension of the Bush tax cuts.

Health Insurance CEOs³⁰



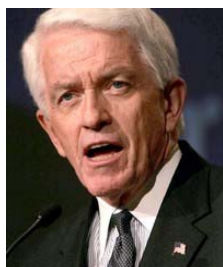
The health insurance industry, through the Association of Health Insurance plans, gave the U.S. Chamber of Commerce \$86.2 million dollars in 2009 to campaign against health care reform. The unprecedented donation accounted for more than 40% of the U.S. Chamber's revenue from contributions in 2009.³¹ The CEOs were understandably working to protect the status quo; it's been very, very good to them. The health insurance industry stood to make record profits this year,³² even as some companies jacked up premium rates by more than a third.³³

The CEOs of major health insurers got an added bonus to the U.S. Chamber's lobbying. Aside from the lobbying against health care reform, the

Health Insurer	CEO Name	3-Year Average Total Compensation	TAX CUT
Aetna	Ronald Williams	16,196,989	-875,000
Wellpoint	Angela Braley	12,204,978	-692,000
Humana	Michael McCallister	7,523,083	-433,000
Cigna	David Cordani	6,324,761	-350,000
UnitedHealth	Stephen Helmsley	5,724,265	-335,000

U.S. Chamber's push to support the extension of the Bush Tax Cuts would provide them with up to \$875,000 in tax cuts.

Special Interest Lobbyists – Thomas J. Donohue, U.S. Chamber: Total Benefit = \$215,000³⁴



Tom Donohue, president and CEO, has hijacked the most prominent business league in America away from serving the interests of serving mainstream American businesses, changing the U.S. Chamber into a special interest lobbyist that sells the brand "chamber of commerce" to the highest bidder. He's been handsomely rewarded for doing so.

Taking home \$3,747,261 last year, Donohue is one of the highest paid executives of a tax-exempt organization in America and "the sixth highest paid lobbyist in the country."³⁵ In fact, as detailed in an IRS complaint filed by U.S. Chamber Watch in October,³⁶ Donohue's compensation – and his apparent failure to disclose valuable perks like a corporate jet and chauffeured limousine – may be in and of itself a violation of laws governing organizations like the U.S. Chamber that receive tax benefits. If Donohue were to be successful in steering the U.S. Chamber's lobbying effort on

³⁰ Photo of Angela Braly, CEO of WellPoint. Photo Credit: Ann Heisenfelt/Associated Press.

³¹ Insurers Gave U.S. Chamber \$86 Million Used to Oppose Obama's Health Law. [Bloomberg](#), 11/17/10

³² Health Insurance Companies Likely to Break Profit Records for 2010. [The Hill](#), 11/16/10.

³³ Health insurers raise rates, while increasing reserves and salaries. [Seattle PI](#), 10/26/10.

³⁴ A photo of Thomas J. Donohue, president and CEO of the U.S. Chamber. Photo credit: Dennis Brack/Bloomberg.

³⁵ "Chamber's Donohue Keeps Cash Coming After PG&E, Apple Defect," [Bloomberg](#), 11/12/09.; "Show Him the Money," [Washington Monthly](#), July/August 2010.

³⁶ "[Union-Backed Critic of U.S. Chamber Asks for IRS Probe](#)," [Bloomberg](#), 10/15/10; see also "[Chamber of Commerce Accused of Tax Fraud](#)," [New York Times](#), 9/12/10.

the Bush Tax Cuts, even based on his disclosed income, Donohue's three-year average compensation of \$3,567,112 would net him an additional \$215,000.

Conclusion

The U.S. Chamber's lobbying to extend the Bush Tax Cuts for the wealthiest two percent is not about jobs or the economy. It's about protecting the millions of dollars that extending the cuts would garner the CEOs who fund the U.S. Chamber and determine its agenda. Non-partisan analysis has shown that these cuts would ultimately be destructive to the American economy, yet the U.S. Chamber fights to protect tax cuts for its CEOs even when other alternatives – that might actually result in job creation – are on the table. According to the U.S. Chamber, protecting the paychecks of millionaire CEOs would somehow “address uncertainty that is plaguing main street, help businesses to create jobs, and get the economy growing.”³⁷ Why the intense rhetoric and protracted fight? Perhaps because U.S. Chamber cronies aren't the only ones who stand to benefit. U.S. Chamber CEO Tom Donohue himself stands to pocket an additional quarter million annually on top of his \$3.5 million annual take-home pay if the tax cuts are extended. Sometimes, the U.S. Chamber's motivations are difficult to pin down. Other times, like when it bends over backwards to keep the rich, rich, the motivation seems obvious.

³⁷ Letter Urging the Senate to Oppose Consideration of S. 3816, the “[Creating American Jobs and Ending Offshoring Act.](#)” [U.S. Chamber of Commerce](#), 9/23/10

Notes on Methodologies

Compensation Methodology

Three-year average compensation methodology: the three-year average compensation figures are the average yearly compensation totals as reported in each company's Form Def 14A and/or 10-K filed with the Securities Exchange Commission (SEC). As reported in the companies' SEC filings, each CEO's yearly compensation totals were typically comprised of some or all of several component parts: (a) salary, (b) bonus, (c) stock awards, (d) stock option awards, (e) non-equity incentive plan compensation, (f) change in pension value and nonqualified deferred compensation earnings, and (g) all other compensation. The dollar-value for all non-cash components of compensation were based on the company's estimations of the benefits' cash value as reported in the filings.

The estimated compensation totals reported by the companies (upon which the figures in this report are based) often significantly *underestimate* the CEOs actual compensation because of differences in the value of stock options and stock awards as are calculated on their grant date versus the value of these awards when they're exercised.

For example, Prudential Financial CEO John Strangfeld 2009 Stock and Option awards had a grant date valuation of \$3,481,660 and \$2,364,965 respectively, based on the \$25.30 closing stock price on February 10, 2009, the date of the grants. With Prudential's closing share price of \$53.78 on November 19, 2010, these grants are now worth \$7,400,935 and \$13,031,539, respectively, for a combined value over \$10 million greater than when granted. Theoretically, this phenomenon is supposed to be a reflection of incentive pay rewarding CEOs for how the stock price has improved under their management. However, this argument loses considerable force when it is recognized that Prudential's share price was trading above \$100 in 2008, meaning Mr. Strangfeld is potentially reaping over \$10 million in additional compensation for merely returning Prudential's share price to less than 60% its former value.³⁸

Moreover, the 3-year average total compensation figures reported here likely underestimate a more typical 3-year average because of the inclusion of 2009, which was historically a relatively low compensation year, as many CEOs, particularly in the financial sector, took smaller compensation packages following the public backlash against executive compensation totals in the wake of the financial crisis. For example, JPMorgan Chase CEO Jamie Dimon's 3-year average reported compensation for 2006-2008 was \$31,016,283, nearly \$10 million more than the 2007-2009 average, as his reported 2009 income was only \$1,322,094 compared to the \$39,066,107 in reported earnings in 2006.³⁹ Similarly, Goldman Sachs CEO Lloyd Blankfein's 2009 total reported compensation was only \$862,657, while his reported compensation for 2008 and 2007 was \$40,946,646 and \$53,966,198, respectively (figures for Mr. Blankfein's 2006 compensation are not publically available).⁴⁰

³⁸ Prudential Financial Form Def 14A, 44-46, filed 3/22/10 (avail at: http://www.sec.gov/Archives/edgar/data/1137774/000119312510062648/ddef14a.htm#tx38117_27); see also Prudential historical share price, as listed on Google Finance (<http://www.google.com/finance?q=NYSE%3APRU>).

³⁹ JP Morgan Chase Form Def 14A, p. 20, filed 3/31/09 (avail at: <http://www.sec.gov/Archives/edgar/data/19617/000119312509069444/ddef14a.htm>).

⁴⁰ Goldman Sachs Form Def 14A, p. 18, filed 4/06/09 (avail at: <http://www.sec.gov/Archives/edgar/data/886982/000119312509073816/ddef14a.htm> http://www.sec.gov/Archives/edgar/data/886982/000119312509073816/ddef14a.htm#toc21217_25).

Tax Computation Methodology

Using the Institute on Taxation and Economic Policy (ITEP) Tax Model, CTJ grouped taxpayers by compensation, in narrow high-income groups. The model then automatically included in adjusted gross income the average amounts of other income that taxpayers in these groups would typically have, as well as their typical deductions and tax credits. The model then calculated the income tax they would pay in 2011 if all of the Bush income tax cuts were extended compared to their tax under President Obama's plan to extend only some of the Bush tax cuts.

CTJ then expressed these model-derived tax cuts as a percentage of total compensation for each income group, and applied those percentages to the compensation of the executives in the study to yield each person's likely tax cut if all of the Bush income tax cuts were extended compared to their tax under President Obama's plan to extend only some of the Bush tax cuts.

A description of the ITEP tax model can be found at:
http://www.itepnet.org/about/ITEP_tax_model_simple.php.