

05/16/2004

Bay state CEO pay tops chart

ON (AP)

- Top executives of the 10 largest publicly traded companies in Massachusetts were paid a total of \$118 million in 2003 compensation, up from \$88 million in 2002, according to a review of CEO pay in Massachusetts.

Compensation more than doubled for five of the CEOs, four executives entered the \$15 million range, and four approached or surpassed \$10 million, according to an analysis of 2003 financial filings by the New York-based Compensation Design Group Inc.

Pay for corporate leaders rose with Wall Street's boom last year, when the stock market rose more than 20 percent and profits rebounded after months of slow growth, providing justification for corporate boards to grant large increases to their CEOs - despite the national backlash against high pay and other corporate practices fueled by the Enron Corp. scandal.

"You're seeing significant increases," said Jason Taylor, senior consultant for Compensation Design Group. Compensation committees "are feeling pretty good about themselves and have reverted back to the old practices."

CEOs of Massachusetts' top companies fared better than peers elsewhere in the country. Median total compensation for heads of companies in the Standard & Poor's 500 stock index dipped one percent in 2003, to \$6.87 million, said Equilar Inc., which tracks executive pay.

Staples Inc.'s Ronald Sargent was paid the most, with \$16.9 million in salary, bonuses, and stock-based incentives, as store revenues of the Framingham office-supply retailer surged under his leadership.

Pay for John Hancock Financial Services CEO David D'Alessandro dropped by almost half last year, but still ranked second, with \$16.8 million in total pay.

Chad Gifford, CEO of FleetBoston Financial Corp., benefited from Bank of America Corp.'s acquisition of FleetBoston. In 2003, his last year as Fleet's CEO, Gifford's compensation more than doubled to \$10.8 million, including a bonus