

## U.S. banks paying bonuses like pre-crisis

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Six top U.S. banks, all recipients of federal bailout money, plan to pay \$74 billion in employee bonuses, \$14 billion more than last year, an analysis found.

The increase in set-asides by Goldman Sachs Group Inc., JPMorgan Chase & Co., Citigroup Inc., Bank of America Corp., Wells Fargo & Co. and Morgan Stanley reported by The Washington Post prompted some Washington lawmakers to denounce financial leaders for returning to old habits.

The decision to pay employees as much as, if not more than, in pre-crisis days "strengthens our commitment to getting legislation passed (governing executive compensation)," House Financial Services Committee Chairman Rep. Barney Frank, D-Mass., told the Post.

"The amounts are troubling," he said.

A committee vote on a bill to increase Wall Street pay oversight is scheduled for Tuesday.

Goldman, JPMorgan and Morgan Stanley recently returned the bailout money they received, but they continue to benefit from a variety of other emergency federal programs, the Post said.

All the banks but one posted profits in the latest quarter.

Morgan Stanley said Wednesday it lost \$1.26 billion, yet still set aside \$3.9 billion in compensation expenses, representing 72 percent of its quarterly revenue.

Wall Street banks typically set aside about 50 percent of revenue to pay workers, the Post said.

U.S. President Barack Obama said during a news conference Wednesday night he'd "like to think that people (on Wall Street) would feel a little remorse and feel embarrassed and would not get million-dollar or multimillion-dollar bonuses."

Harvard economics and law professor Lucian Bebchuk told the Post he considered the big bonuses especially "surprising, given that the lessons of the financial crisis are so fresh and clear and that the need for compensation reform is so widely accepted."

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