

# Boastful Pay Cuts: The Coronavirus Incentive

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Theme: [History](#), [Science and Medicine](#)

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*It has become a source of pride. Highly salaried executives – often, it should be said, receiving pay very much disconnected from the value of their work – making voluntary pay cuts and telling everybody else about it. In sport, celebrated figures such as Lionel Messi and Cristiano Ronaldo [have chosen](#) to reduce their enormous pay packages for the sake of the game. Both play for football leagues in Spain and Italy, countries ravaged by COVID-19, and both earn amounts reputedly coming in at \$100 million a year. Such sums are scandalous to begin with, but it enables a sort of virtue to be practised, the sort that leaves few scares. Clubs such as Barcelona and Juventus host an army of non-playing employees, and such armies risk being culled.*

This point is being demonstrated with some force in the United Kingdom, where handsomely paid players in the English Premier League have resisted calls to be virtuous in parting with their own cash in covering the fees of club staff. One figure keen to [shout the message](#) to do more is health secretary Matt Hancock. “Given the sacrifices many people are making, the first thing PL footballers can do is make a contribution.”

Julian Knight, chair of the Digital, Culture, Media and Sport committee, also had a bone to pick with the Premier League, [writing](#) a scolding note to its chief executive Richard Masters about potentially misusing the job retention scheme.

“The purpose of the coronavirus job retention scheme is not to support the economics of Premier League clubs.”

The targets of economic pain have, inevitably, been the staff and personnel who do not find themselves kicking a ball on the pitch. Clubs such as Tottenham have furloughed non-playing employees. Newcastle was first out of the box, reducing the salaries of non-playing staff by 20 per cent. This sent a rather ugly message: If you are not a performer on the field, you will be targets of convenience for the financial razor gangs.

Scratching the surface, and we find dissatisfied players such as Andros Townsend, a member of the English football team, none too keen to be either noble or a target of virtue.

“Football,” [he pleaded](#) on talkSPORT, “is trying to do a lot of good.” He found it surprising that footballers were “being painted as villains”. (Tool Townsend might be; sharp, he is not.)

Reductions in his own salary, and those of his peers, was something he preferred to avoid in the discussion. The focus was on charitable good works, helping the homeless or donating to charities. “I am involved in a campaign, Football United, raising money for the emergency trust.” A toast, then, to his achievements.

The pattern is repeated among other football players who prefer to raise money from the public to support what are, already, publically funded facilities. Liverpool captain Jordan Henderson, for instance, is engaged in [establishing a coronavirus fund](#) with the purpose of raising millions of pounds for the National Health Service. The public can pay for something they already pay for, a truly innovative form of charity.

Across industries, the principle of superfluosness is coming to the fore. The mightily salaried are making claims of reduction to gain a seat in some heavenly kingdom. In doing so, they hope that no one will notice a cardinal fact: that the cuts are only to the base salary rather than the whole remuneration package. This has been particularly so in the airline industry, where executives are kitting themselves out in the vestments of a newly found morality. British Airways CEO Willie Walsh [is accepting](#) a 20 per cent pay cut for the remainder of his contract with International Airlines Group. Australian airline Qantas has also stormed up the ranks of virtue, with Alan Joyce [taking no salary](#) for the rest of the financial year ending in June 2020, while the executive management team accept a 30 per cent pay cut. Before shedding joyful tears for such consideration, Joyce's rich rewards from the company should not be forgotten. According to the Australian Council of Superannuation Investors, [his pay for 2018](#) was \$23.88 million.

Few, in other words, should rush to join the self-congratulatory party. Delta CEO Ed Bastian's base salary is \$891,667, which he accordingly [intends](#) to cut "by 100 per cent through the next six months." That constitutes a trifling 6 per cent of his mammoth \$14.9 million compensation package. As Ethan Wolff-Mann of Yahoo Finance [notes](#), that rich package consists of "stock awards, option awards, and other types of compensation that aren't connected to the company's stock price." Shares, rather than salary, make the difference.

The picture looks equally seedy in the world of education, where the management heavies continue to bleed university budgets. In Australia, La Trobe University executives, self-termed "leaders", have embarked on a process of trimming their bloated salaries. Senior executives who form a 12-strong group have been asked to cede 20 per cent of their pay packets "in the interest of minimising the economic impact of the crisis". Vice-chancellor John Dewar [explains the reasoning](#):

"While the impacts at La Trobe may not be as severe as some other Australian universities, we will soon be facing a simple choice: 'share the pain' across the organisation's staff or implement a significant cost cutting exercise."

Given how executive leadership imperilled the Australian tertiary system by overly investing in the foreign student market, they might do a little more than.

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