

Stop banker bonuses!

Read the text about banker bonuses. Some phrases are highlighted and explained below. Don't forget to answer the quiz and leave comments about the discussion questions

Britain is now in another recession. It is the worst since World War Two. There are few jobs, most salaries are low and many people do not work. However, several bank executives still receive large bonuses.

Last year, there were a number of riots in London. People were angry about the gap between the rich and the poor. In the financial area bankers earn lots of money but in the south other people do not. After the government closed many public facilities they decided to show how they felt.

In 2011, several bank executives earned huge bonus payouts. The head of Barclays bank got 6.5 million pounds. English citizens only make £26,000 so there is a serious difference. The average English person does not believe this is fair. Recently, the boss of Royal Bank of Scotland (RBS) refused his bonus. It was £1m. Maybe other executives will do the same.

At the moment, several executives are not successful but earn lots of money. A successful executive could make the same money as an unsuccessful executive. This is not fair. Critics argue this situation is not equal and needs to change. The British government wants to give shareholders more powers to stop big bonuses. Only successful employees deserve more money.

Various British banks lost large amounts of money in the financial crisis. The British government rescued RBS with £45b of taxpayers' money. It now owns 83% of the company. However, they did not change staff bonuses. Executives still receive high salaries and large bonus packages.

The chairman of RBS would like to stop all annual bonuses. In his opinion, bank executives earn too much money. In the US, the Bank of America recently froze salaries and created a maximum bonus level of \$150,000. In the UK there is no limit but maybe we need one.

The UK government also invested in Lloyds bank. It is now worth a lot less money than before. This means the government and tax payers lost money. Yet, Lloyds' executives still earn high salaries and bonuses.

Last month, several British newspapers criticised the government about executive bonuses. They said the government does not control the situation and bank executives still earn too much money. The government should change the law to reduce or stop bonus payments.

Banker bonuses language

Another	1 more. "I want another ticket"
Recession	When a country makes less money, companies close and people lose jobs. "England is in a recession"
Worst	The superlative of bad (bad, worse, worst)
Few	A small number. "I bought a few books"
Salaries	Wages or pay. "Executive salaries are high"
Several	A small or medium number.
Executives	An important manager.
Bonuses	Extra pay at the end of the year.
Riots	When groups of people go in the street and break things.
Gap	When 2 things are not the same. "A gap between the rich and poor"
Public facilities	Services the public can use e.g. libraries and swimming pools.
Huge payouts	Big amounts of money given to some people.
The head of Barclays	The main boss of Barclays.
Citizens	People who live in the city/town/country.
Fair	Not right. "It is not right when bankers buy planes and boat but normal people cannot buy food"
Refused	Said no to something. "He refused the bonus"
Successful	Do something that works well. "The boss is successful. He makes lots of money"
Unsuccessful	Do something that does not work well. "The boss is unsuccessful. He lost lots of money"
Critics	People who often say bad things about something. "Film critics"
Situation	An event or connected events. "The banker bonus situation needs to change"

Equal	The same.
Shareholders	People who own some of a company.
To deserve sthg	To do sthg to earn sthg else. "You worked hard and deserve a bonus"
Various	Many.
Financial crisis	When a country has big money problems. "We are now in a big financial crisis"
Rescued	Saved from a bad situation.
Still	A situation that did not change and is now the same as before.
Bonus packages	A collection of things like company shares and money given to a good employee at the end of the year.
Chairman	The president of a company.
Annual	Every year.
Too much	More than is needed.
Froze	Stopped and kept the same. "We froze salaries"
Maximum	The top amount or number.
Level	The place where sthg is compared to sthg else. "Our company has many high level managers"
Limit	The top point. "There is a limit for all salaries and bonuses"
Invested	Bought part of a company or gave money to help a company.
Worth	The amount of money something is equal to.
Law	Government rules everybody follows.
To reduce sthg	To make it smaller.

Quiz

Do bank executives deserve big bonuses?

Yes, they work hard and earn the money.

No, we need to stop all bonuses.

Discussion questions

- 1) Why do bank executives receive big bonuses?
- 2) Did large bonuses create the financial crisis?
- 3) Should the government stop all bonuses?
- 4) What can companies give hardworking employees?