

Elon Musk wins record \$56bn pay deal

17th June 2024



Tesla boss Elon Musk has been awarded a record-breaking pay deal of \$56 billion by the shareholders of his company. The astronomical remuneration package is 3,000 times the average pay for a CEO in the USA. According to the U.S.

Bureau of Labor Statistics, the average income in the USA in 2023 was \$59,384. At that salary, it would take 943,014 years to earn \$56 billion. Mr Musk's salary was agreed upon by shareholders at Tesla's annual general meeting on Friday. Musk responded by telling the investors attending the meeting that: "We have the most awesome shareholder base of any public company. We are not just opening a new chapter for Tesla, we are starting a new book."

Musk's pay settlement was blocked earlier this year by a court in Delaware. The presiding judge deemed the size of the pay to be unfair to shareholders. However, in Friday's meeting, shareholders agreed the deal was both fair, and in the company's best interests. The BBC said 72 per cent of the votes cast favoured the \$56 billion deal. The BBC quoted car industry analyst Karl Brauer as saying the vote was "a pretty ringing endorsement". Shares in Tesla closed nearly 3 per cent up following the meeting. Mr Brauer extolled Musk's business acumen. He said: "My understanding is that there's been about a 1,100% appreciation in Tesla stock, and that's pretty impressive. Most chief executives have never done anything like that."

Sources: [bbc.com](https://www.bbc.com) / [ft.com](https://www.ft.com) / [yahoo.com](https://www.yahoo.com)

Writing

There should be a cap on all salaries. Discuss.

Chat

Talk about these words from the article.

Tesla / boss / pay deal / CEO / salary / shareholders / meeting / public company / court / judge / fair / votes / car industry / analyst / business / executives / stock

True / False

- 1) Elon Musk was awarded a record-breaking pay deal by his boss. T / F
- 2) The pay deal is 3,000 times higher than the average CEO's pay. T / F
- 3) The average US wage-earner needs over 900,000 years to earn \$56bn. T / F
- 4) Elon Musk said he is starting a book publishing company. T / F
- 5) A court ruled the \$56 billion pay was fair to shareholders. T / F
- 6) Shareholders said the \$56 billion pay was in Tesla's best interests. T / F
- 7) Tesla's share price rose 3% after news of the \$56 billion pay deal. T / F
- 8) An analyst said Musk had increased Tesla's value by 110%. T / F

Synonym Match

(The words in **bold** are from the news article.)

- | | |
|-------------------------|---------------------|
| 1. awarded | a. breathtaking |
| 2. astronomical | b. increase |
| 3. earn | c. period |
| 4. awesome | d. regarded |
| 5. chapter | e. seal of approval |
| 6. deemed | f. given |
| 7. cast | g. awareness |
| 8. endorsement | h. enormous |
| 9. acumen | i. take home |
| 10. appreciation | j. registered |

Discussion – Student A

- a) What do you think about what you read?
- b) What do you know about the car company Tesla?
- c) Do you have or would you like to have shares?
- d) Who are the world's best business leaders?
- e) How does someone develop business acumen?
- f) What would the world be like if everyone got the same salary?
- g) What kind of company would you like to be CEO of?
- h) What questions would you like to ask Elon Musk?

Phrase Match

- | | |
|---------------------------------------|-----------------------------|
| 1. The astronomical remuneration | a. to earn \$56 billion |
| 2. 3,000 times the average | b. of any public company |
| 3. it would take 943,014 years | c. endorsement |
| 4. Tesla's annual general | d. in Tesla stock |
| 5. the most awesome shareholder base | e. company's best interests |
| 6. The presiding | f. pay for a CEO in the USA |
| 7. the deal was both fair, and in the | g. meeting |
| 8. the vote was a pretty ringing | h. judge |
| 9. Mr Brauer extolled Musk's business | i. package |
| 10. a 1,100% appreciation | j. acumen |

Discussion – Student B

- What do you know about Elon Musk?
- What do you think of getting \$56 billion in pay?
- What would you do if you had \$56 billion?
- How much money is too much?
- Why do you think the shareholders agreed to the pay deal?
- Do you think you would be a good CEO?
- What might Tesla be doing to start 'a new book'?
- What advice do you have for Elon Musk?

Spelling

- asehlohdrres of his company
- The torosaimnca remuneration package
- the veraage income
- telling the vitseonrs
- Musk sopenredd
- We have the most wesoame
- Musk's pay etsmeletnt
- The epdisirng judge
- a pretty ringing noresemndnet
- Mr Brauer extolled Musk's business camuen
- a 1,100% pirepatacion in Tesla stock
- chief etcuxivees

Answers – Synonym Match

1. f	2. h	3. i	4. a	5. c
6. d	7. j	8. e	9. g	10. b

Role Play

Role A – Food

You think food is the best thing to spend \$56 billion on. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these things to spend money on (and why): getting to Mars, property or cancer research.

Role B – Getting to Mars

You think getting to Mars is the best thing to spend \$56 billion on. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these things to spend money on (and why): food, property or cancer research.

Role C – Property

You think property is the best thing to spend \$56 billion on. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these things to spend money on (and why): getting to Mars, food or cancer research.

Role D – Cancer Research

You think cancer research is the best thing to spend \$56 billion on. Tell the others three reasons why. Tell them what is wrong with their things. Also, tell the others which is the worst of these things to spend money on (and why): getting to Mars, property or food.

Speaking – \$56 Billion

Rank these with your partner. Put the best things to spend \$56 billion on at the top. Change partners often and share your rankings.

- | | |
|--------------------|-------------------|
| • Food | • Sports teams |
| • Getting to Mars | • Cancer research |
| • Charities | • Global hunger |
| • Tropical islands | • Property |

Answers – True False

1	F	2	T	3	T	4	F	5	F	6	T	7	T	8	F
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Answers to Phrase Match and Spelling are in the text.