

## How to Make US\$13 million as a Barrick Gold Corp. Employee

### Description

The past few years have not been very fun for **Barrick Gold Corp.** ([TSX:ABX](#))(NYSE:ABX) shareholders, and last year was no exception. Over the course of 2014, the company's stock price declined by about a third.

So, did Barrick's executives feel the pain? Well, not really. According to recent filings, Executive Chairman John Thornton made nearly US\$13 million in 2014, about 35% more than the previous year. It didn't stop there. Co-Presidents Jim Gowans and Kelvin Dushnisky pulled in US\$7.3 million and US\$4.5 million respectively. In total, Barrick's top three executives—the people who run the company—made nearly US\$25 million last year.

How do these numbers compare with other companies? More importantly, does it change how you should think about the stock? We take a look below.

### A simple comparison

Just to draw a comparison, let's take a look at **Goldcorp Inc.** ([TSX:G](#))(NYSE:GG) and its CEO Chuck Jeannes. Back in 2013 (this is the most recent data available), Mr. Jeannes made just under US\$10 million, a little less than what Mr. Thornton made last year.

This makes absolutely no sense. Based on market capitalization, Goldcorp is a bigger company than Barrick. More importantly, Goldcorp is consistently rated as one of the top-performing gold companies around the world. Meanwhile, Barrick has had its issues, and shareholders have paid a dear price.

### Does this mean you should sell the stock?

Let's not get carried away. Barrick has over one billion shares outstanding, so even if Mr. Thornton was overpaid by \$10 million, that's still only \$0.01 per share. That said, this would make me very worried (not to mention angry) if I held Barrick shares.

Imagine being an employee at Barrick. Your friends have been laid off, you're told money is tight, and you're wondering how secure your job is. Then you find out the executive chairman made more than the CEO of **RBC**. You're probably going to look for another job.

If one employee feels bitter, it won't affect the share price. However if most employees feel this way and it affects Barrick's culture, then performance could take a hit.

### What should you do?

We've seen plenty of companies overpay executives without it affecting the bottom line. So, is Barrick's stock still worth buying? The answer is quite simple: absolutely not.

Remember, there are other reasons to dislike Barrick Gold. It has roughly US\$13 billion in debt, and will have trouble reducing that in a material way. The company's plans to expand production in Nevada

have not won everyone over. Worst of all, its shares still price in a pretty robust gold recovery. My advice is to spare yourself the headaches and look elsewhere.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. TSX:ABX (Barrick Mining)

## Category

1. Investing
2. Metals and Mining Stocks

## Tags

1. Editor's Choice

## Date

2025/07/22

## Date Created

2015/03/31

## Author

bensinclair

default watermark

default watermark