

June 18, 2024

In a year with a presidential election, news about the economy takes on added significance. Wages of the working class were trending in last week's headlines and my article looked at what the Bible says about workers' pay. This week a story is trending from the other end of the income spectrum.

On June 14th CNBC featured, "Tesla Shareholders Vote to Reinstate Elon Musk's \$56 Billion Pay Package." The "reinstatement" was necessary because of a January court order cancelling their vote. The story explains that on June 13th at Tesla's annual meeting the shareholders, ". . . voted to ratify CEO Elon Musk's mammoth 2018 pay plan, five months after a judge in Delaware ordered the company to rescind the package." The Delaware judge made her ruling because she believed, "Tesla's board members lacked independence from Musk." The shareholder vote does not affect the court's ruling; however, Tesla's share prices went up after the results of the board meeting were announced.

The news website Axios on June 14th carried "Shareholders Show How Much Elon Musk Means to Tesla." Using bar graphs, the article illustrated how the 1.76 billion "yea" votes stacked up against 528.9 million "nay" votes with 330.1 million not voting. (Later results moved all but 20 million of the "not voting" to the "yea" column). The author opines, "The runaway victory for Elon Musk . . . is further proof that Tesla shareholders have his back as he pursues eye-popping financial targets." At the meeting there were concerns that had the shareholders not approved the package, Musk and his brain trust would have left the company.

Yahoo Finance released on June 15th, "What's Next for Tesla's Stock as Shareholders and Wall Street Pros Weigh In." The article is skewed against Musk's remuneration victory, yet it cited a skeptic who admitted, "The deal was set in 2018 when the milestones seemed virtually impossible, and he met them. He [Musk] made a deal, he delivered, and this is his reward." The article notes that in addition to the pay package, shareholders also approved moving Tesla's incorporation from Delaware to Texas. On this subject, an analyst speaking to a hypothetical Musk asked, "To then pack up your marbles and move to Texas because you're pissy about a judge . . . the question is how are you going to reset?" The article does not give Musk's reply.

The Bible contains a narrative about a successful entrepreneur who has his wages adjusted negatively. In the book of Genesis Jacob was sent by his parents back to the old country (Gen 28:2). There Jacob met his uncle Laban who hired him as a shepherd. Jacob agreed to tend Laban's flocks for seven years in exchange for Laban's daughter Rachel (Gen 29:18). After seven years, instead of Rachel, Laban gave Jacob his other daughter Leah (Gen 29:23). Jacob had to sign another seven-year contract to receive his original salary (Gen 29:27). In subsequent salary negotiations Laban agreed to compensate Jacob with whatever he asked (Gen 30:28). Jacob's wages were to be the mottled sheep and goats, along with the dark lambs in Laban's flocks (Gen 30:32). Laban agreed, but had his sons remove these animals from his flocks before Jacob could

claim them (Gen 30:35). The unilateral wage adjustments continued causing Jacob to tell his wives, “Your father has cheated me by changing my wages ten times. However, God has not allowed him to cheat me” (Gen 31:7). Each time Laban adjusted Jacob’s wages, God made sure the flock only produced the kind of animals promised to Jacob (Gen 31:8-9). Jacob finally tired of Laban’s pilfering and he took his wages back to the land of his birth (Gen 31:18).

The spirit in the reporting on Elon Musk’s pay package is in sharp contrast to last week’s articles on workers’ wages. In the second chapter of the book of James Christians are told not to make a difference between a rich person and a poor person, “Because if you show favoritism, you sin and are convicted by the law as lawbreakers” (Jas 2:9). These articles made me ask myself whether there was a dollar amount when I thought it was okay not to pay someone who delivered on their end of a contract. How about you?