

From: N. F. Taussig
Subject: Incentive-Based Compensation

Comments:

I believe that the payment practices in the financial industry must be regulated more strictly. At present, bankers are rewarded for raising short-term profits. Thus, they have an incentive to take risks in order to earn large bonuses for themselves rather than acting in the best interest of their clients and shareholders. The risks bankers took led to the financial crisis of 2008, the subsequent recession, foreclosure crisis, and the high rate of unemployment. By restricting the size of bonuses bankers can earn for raising short-term profits, we would reduce the chance that they would take the sort of unnecessary risks that wrecked our economy in 2008.

Thank you for considering my comment,

N. F. Taussig