

MOST OVERPAID JOBS IN THE UNITED STATES

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No one ever admits to being overpaid, but... some Americans take home huge paychecks — far beyond what they deserve for their level of competence or education — and contribution to society.

EngineerSalary took a look at the market outside the engineering arena, and found many inconsistencies.

Some jobs command excessive pay that can't be explained by supply and demand. While it's easy to argue that CEOs or celebrities are grossly overpaid - reality is not precise, according to EngineerSalary.com.

Top attorneys earn over \$750/hour and plaintiffs lawyers (the ones that chase accidents and medical malpractice on TV) pocket a third or more of personal injury settlements, but county prosecutors and public defenders get paid a pittance. Specialty surgeons can easily earn \$1 million or more, but some family practice physicians are hard pressed to pay off their med school loans years later. The majority of general practitioners (GPs) earn just under \$125,000, internists (internal medicine docs) earn typically between \$150,000 and \$450,000, depending on the size and location of their practice... and keep in mind that they face potential liability issues daily, pay large malpractice insurance premiums... and have hundreds of federal and state regulations to comply with - unlike Skycaps (see below).

Pharmacists (due to a national shortage) working for mass merchandisers (retail drug stores) earn between \$60,000 (new grad) and \$120,000+ with 15 years of experience, registered nurses earn less than half of this with 25 years of experience. Technical recruiters can earn \$500,000 or more in a strong economy, but new FBI agents with a law degree earn around \$58,000 and Air Marshalls are paid between \$35,000 and \$85,000 - depending on previous law enforcement experience.

Veterinarians specializing in the care of large animals earn \$89,000 on average. Museum curators with a MA start at around \$27,500, and medical librarians average \$45,000.

The average public school teacher, according to the American Federation of Teachers, earns \$45,950. A full professor at a top 100 U.S. university will earn (on average) between \$104,000 and \$158,000, plus fees for consulting in their field. Associate professors will start at around \$42,200 (national average).

Hospital administrators average from \$67,000 to \$143,000 annually, according to industry sources. Administrators at a teaching hospital earn significantly more. In hospital facilities where large numbers of physicians are employed (as a faculty group), salaries may be well above \$300,000.

A Starbucks barista earns a couple of dollars over minimum wage, with experience.

News anchors in the 25 biggest television markets are making an average of \$140,000 this year (national anchors up to \$15 million), but the overall average pay for all markets is slightly under \$47,000, and most of the jobs are in small markets where the average is \$33,000. Newspaper reporters with three years of experience average \$27,600 in medium sized cities.

Nationally, the median wage for police patrol officers is \$41,920. Prison guards average \$34,900 and court bailiffs \$31,600. A New York State Trooper earns \$77,218 after five years on the force, a

sergeant earns \$90,795, starting pay is \$61,525 (and they are paid for overtime).

Paralegals average \$30,700, federal court judges earn \$145,100 to 159,030, the U.S. Supreme Court Chief Justice earns \$217,400, while Supreme Court Associate Justices make \$208,100. The justices have the potential to earn many times their Supreme Court salary in private practice.

The President of the United States earns \$400,000, the Vice President \$221,100 and the Speaker of the House \$217,400, Cabinet-level officers \$175,700, U.S. Senators and Representatives \$162,500 (plus perks), Majority and Minority Leaders \$188,100. In the U.S. military, a one star general takes home \$14,068.80 a month.

State senators are all over the map, from a high of \$110,000 (+ \$138 per diem during a working session day) in California, to Michigan at \$79,650 (+ \$12,000 per year allowance) to \$14,067 in Arkansas.

NASCAR driver Dale Earnhardt Jr.'s earnings totaled \$5,761,830 last year, but that's not all. His endorsements earned another \$20,000,000, bringing his pay to nearly \$26M. That number doesn't include sales of Earnhardt merchandise - and income from the racing company that he owns. UPS drivers' salaries start at \$24.69/hour, and they receive health benefits including medical, dental and eye care. No college required for either job.

Marine biologists earn an average starting salary of \$39,000ish, with a high-end of \$53,500 - with 6-9 years of field experience and an advanced degree.

Stars making millions qualify for many people's overpaid list. For every one of those actors, there are 10,000 waiting tables and accepting bit parts in community theatre — awaiting that big break. Their annual earnings are usually below unskilled labor. With pro athletes, if the team owner is willing to pay huge dollars for a superstar, then the other players want a similar level of compensation.

CEOs are still earning obscene salaries, while shareholder value in the company tumbles, with no end in sight.

Ten Most Overpaid Jobs in the United States (in reverse order):

10) **Wedding Photographers**

Wedding photographers charge \$2,000 to over \$5,000 to shoot a wedding, for what amounts to a one day assignment plus a client meeting (and processing time). They must cover equipment and film development costs (with digital cameras, this cost goes away). Still, many photographers in major metros shoot two weddings each weekend in the May-to-October season, and can rack up \$75,000 to \$100,000 for six months work. And much of their work is mediocre. No adjustments for missing the best shot of the day or amateurish techniques. No retakes.

9) **Airline Pilots**

While American and United pilots took pay cuts, senior captains earn as much as \$250,000 at Delta, and their counterparts at other major airlines still earn between \$140,000 to \$220,000 - several times the pay that pilots at smaller regional carriers receive - for a job that technology has made almost fully automated. By comparison, senior pilots make up to 50% less at low fare carriers like Jet Blue and Southwest, but enjoy perks like stock options. That explains why their employers are profitable while

several of the majors are still teetering on bankruptcy, and asking for government bailouts.

The pilot's unions are very powerful. They demand premium pay as if still in the glory days, rather than the cutthroat, deregulated market of low cost coast-to-coast roundtrips. Because we entrust our lives to them, consumers accept the excessive compensation negotiated by their unions (when it's airline mechanics who really hold our fate in their hands).

This may be changing, due to carrier mergers and bankruptcies, but no new data has been published recently.

8) **West Coast Longshoremen**

In early 2002, West Coast ports shut down when the longshoremen's union fought to preserve very generous healthcare benefits that would make most Americans drool. The union didn't demand wage hikes, because its members already were making a huge paycheck. West Coast dockworkers earn an average of \$117,600 for handling cargo, according to the Pacific Maritime Association, their employer. Office clerks who log shipping records into computers will earn \$139,000. Foremen who oversee the rank-and-file members will take home an average \$177,000.

Unlike their East Coast counterparts, who compete directly with non-union ports in the South and Gulf of Mexico, the West Coast stevedores have a lock on Pacific ports. Given their rare monopoly, they can seriously disrupt commerce -- and command exorbitant wages, even though their work becomes more automated and less hazardous every year.

7) **Skycaps**

Many of the baggage handlers who check your curbside luggage pull in more than \$100,000 a year -- most of it in cash. On top of their \$30,000 salaries, peak earners take in \$300 or more a day in tips. That amounts to a \$2 tip from 18 travelers an hour. Many tip much higher. While most skycaps are cordial, many treat travelers with indifference, knowing passengers don't want to attempt counter check-ins.

Their work is more mindless than that of a fast food counter worker, who at least has to bag the order correctly (and they make less than 20% of a Skycap's earnings). Skycap perks: no liability for sending your luggage to the wrong destination, no personal accountability or liability, no refunds. Education requirements: none.

This occupation, however, is coming to an abrupt end, with new check-in regulations. It is expected to fade away over the next couple of years... as skycaps become unnecessary.

6) **Real Estate Agents**

Anyone who puts in a little effort can get a real estate license, which makes the vast commissions that luxury home agents earn stupefying. While most agents really hustle to earn \$30-60,000 a year, those in affluent areas can make \$200K for half the effort, courtesy of high priced listings. However, sellers are finally shopping around, and beginning to negotiate fees down before signing a listing agreement. The more expensive the property, the more negotiable the fee. The real estate bubble has hit a lot of high earning agents directly in the bank account.

5) **Motivational Speakers**

Whether it's for Rudy Guiliani (\$100K per speech) or Tom Peters, corporate groups pay astronomical sums to celebrity types, authors and political has beens to pump up their convention audiences. Former President Reagan raised the bar in 1989 when he took \$2 million from Japanese business groups for making two one-hour speeches. President Clinton earned \$10.5 million on about 60 speeches last year.

4) **Orthodontists**

For a 35-hour week, orthodontists earn a median \$374,000 a year, according to the *Journal of Clinical Orthodontics*. General dentists earn less than half as much working 47 hours a week on average. The difference in their training isn't like that of a transplant surgeon vs. a family practice doctor. It's an extra two years — and a rewarding investment if you're among the chosen. U.S. dental schools have been criticized for keeping orthodontists in artificially short supply (to keep their incomes high).

This isn't neurosurgery. Orthodontists manipulate teeth -- and often leave much of the adjustment process to low paid assistants (whose work they bill for). What makes their windfall earnings egregious is that they stick parents with most of the inflated bill, since orthodontia insurance benefits cover nowhere near as large a percentage as for general dentistry.

This is the same as having a first year associate in a law firm handle your case (behind the scenes, completely unknown to the you), and the partner bills out the hours at his/her much higher hourly rate, which can typically run \$100 to \$300 more per hour. Your \$1000 fee for legal work becomes \$4000. It happens everyday.

3) **Chief Executive Officers**

Most CEOs are grossly overpaid (if you ask the shareholders) - but if their company is rewarding owners and employees, producing quality products of good value and being a responsible corporate citizen, it's hard to take issue with their compensation package.

CEOs at unprofitable companies (and those always lagging industry peers) stand as the nation's most overpaid citizens. Most know they should leave - in the shareholders' and employees' best interest - but they survive because corporate boards that oversee them are stacked with colleagues, friends or, in some cases, even family.

The ultimate excess comes after they're finally booted, usually by powerful insiders tired of seeing their own holdings plummet. These long-time losers draw multimillion-dollar severance packages as a reward for their failed stewardship, as an incentive to leave. There is no penalty for a CEO's incompetence.

In 1980 CEOs made 42 times the annual salary of the worker, and in 2002 it skyrocketed to 419 times (according to *Financial Economists Roundtable Report*, 11/2003). In 2007, a CEO of a Fortune 500 company averaged \$9.91 million in compensation, not including other benefits.

2) **Pro athletes**

Pro athletes at the top of their game may deserve what they earn for being the best in their business. It's those who sign whopping, long-term contracts after a couple of strong years, and then find their talents vanish, who reap unconscionable amounts of money.

A NBA player, for instance, earned \$10 million in a year he averaged 6.1 points a game. Braves pitcher Mike Hampton earned \$9.5 million -- in the second year of an eight-year \$121 million contract - while compiling a 7-15 won-loss record. Thank the players' unions for refusing to negotiate contracts based on performance - and driving up the cost of tickets to unaffordable levels for a middle class family, especially for pro football and basketball. They point to league owners as the reason, yet Tiger Woods earns his income strictly on his personal performance in each tournament.

1) **Mutual Fund Managers**

Everyone on Wall Street (it could be argued) makes far too much for moving money around - based on results generated from software that's making most of their decisions -- but mutual fund managers are emerging as among the most reprehensible. Stock fund managers can easily earn \$400,000 to \$5 million a year (including significant bonuses above base salary) -- even though only 3 in 10 have beaten the market in the last 10 years.

Now we discover a large number enriched themselves and favored clients with illegally timed trades of fund shares. That's a worse betrayal of trust than the corporate scandals of recent years, since they're supposed to represent (and level the playing field for) the small investor --- including many thousands of engineers.

Put aside what fund managers earn... and consider their managers. Putnam's ex-CEO's income (estimated at \$167 million over the last five years) rivals the bloated pay package that sparked the New York Stock Exchange President ouster.

Engineers

Then you look at what most engineers earn.

They may design and develop a blockbuster product that earns their company millions, but they usually receive nothing in return except a paycheck... and a couple of percent more every year. Some companies give a paltry bonus for a patent, but very few engineers working for someone else ever get rich... or even really comfortable... on their personal creativity and ability.

Their innovative and revenue producing ideas become Intellectual Property owned by the corporation (remember that employment contract you signed).

We can't think of any cases (and we tried) where you can point to a group of engineers and say "Are they overpaid or what?"

Engineer's salaries, taking into consideration education and responsibilities, the stress of accelerated delivery schedules and their direct impact on corporate profits and overall success of the company, seem absolutely inadequate.

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