

President Salaries - Everything You Need to Know

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The purpose of this article is to provide insight into the salaries of presidents. Most people view the role of the President to be the pinnacle of employment. Under this view, it is both common and easy to assume that the salary of the President of any given nation is likely to be the highest salary with many benefits. Although this common view is true to a certain extent, you will find as you read this article that being the President of a country does not automatically translate to an extremely high salary. It is also necessary to remember that a president salary should not be viewed as a lifelong source of income under normal circumstances. The average tenure of presidents in the office is four to eight years. This is a global average. However, multiple examples are arising from Africa in particular, where some Presidents have remained in office for over thirty years. In these cases, president salaries are often exorbitant, which triggers a reluctance to leave office.

President Salaries: Definition

Like most jobs, a president is constitutionally entitled to a salary. A salary is defined as a fixed, regular payment, typically paid every month but often expressed as an annual sum made by an employer to an employee. In the case of a president, the employer is the state, which includes all members of that state, particularly taxpayers. What the President of a nation is paid is not decided by the President himself; instead, it is usually guided by the constitution of said nation. For example, in the United States of America, the Presidents Act gives guidelines on what the President should earn, the benefits he is to receive while in office, and benefits to be received after leaving the office, e.g. pension. Just like all employees, the role of a salary to a president is to:

Stimulate a higher level of output. If you expect above-average work from your employee, in this case, the President, you need to pay them an above-average salary. That may appear superficial, but it is the world we live in. While wages and perks aren't usually the most motivating factors for employees, they play a significant role. The President is the individual at the forefront of all political and economic decisions. You do not want to have a disgruntled/ unmotivated employee with that much power.

Allow the President to focus more attention on state duties. When money is less of a concern, employees can more fully concentrate on their projects. They will have fewer worries about staying financially afloat at home or about being unfairly compensated. That can make them more present in the office, leading to higher productivity and better quality of work. The work of a president is so involving and time-consuming that they can't afford to focus on other ways to earn a living. A salary will assist the President to take care of the present and future needs of themselves and their family.

Maintain private life. The majority of presidents' bills, e.g. food, accommodation, upkeep, transport, and all other costs related to the line of work, are covered by the state. This means that they're accounted for and need to be authorized according to the constitution. The President still needs to separate himself

from his line of work and make expenditures independent of his post. A salary will give the President greater financial freedom.

To summarize, the President's salary is there to incentivize higher quality of work, meet expenses unrelated to the duties of the state office, and protect the present and future livelihood of the President and dependents. The amount given to the President is determined by guidelines provided in the constitution.

Factors that determine President Salaries

For regular jobs, the most common factors determining employee salaries are corporate governance laws, the company's overall profitability, and salaries being earned for comparable positions in the market. Although the President is considered an employee of the state, the factors that apply vary slightly due to the nature of the work. For example, it is difficult to compare the President of your country's salary to other presidents because every country can only have one President. There are no other presidents in the national market. If you look internationally, it can be challenging because sovereign nations can have very different constitutions and economies, so no one size fits all salary for a president. Below are some factors that determine the salary of a president. Note that these are not the only factors but some of the most significant.

Social

Social factors refer to the general culture and practices within the nation. To give a solid illustration of this, consider two countries. Uganda and New Zealand. Yoweri Museveni has been the President of Uganda since 1986. In Uganda, the role of President has since been taken away from the people and become solely associated with this one man. Yoweri Museveni earns an annual salary of over US\$ 200,000 and is estimated to have a net worth of over US\$13 billion. Uganda's economy is not performing well enough to justify this level of income and wealth, but due to the President assuming a sort of god-like status, that is how such a large salary and benefits were established. This trend of presidents assuming a god-like social status is common throughout Africa and has led to many inexplicable salaries, corruption, and reluctance to leave the presidential office.

On the other hand, you have New Zealand, the current head of state Jacinda Arden has been in an office for close to four years and earns an annual salary of close to US\$300,000. The contrast demonstrates how the social status of New Zealand's head of state differs from the Uganda head of state. The focus in New Zealand is more aligned with serving the nation rather than the accumulation of wealth.

Economic

Like the corporate world, a nation can and should pay its President within the national budget constraints. The national budget is driven by the overall economic performance of the country. The largest economy in the world, the United States of American, pays its President an annual salary of US\$400,000, while Burundi, the smallest economy in the world, pays its President a yearly salary of close to US\$50,000. This demonstrates the general idea of revenue-driven remuneration. This is not to

say that if economy A is larger than economy B, then the President of A must earn a higher salary. Other factors come into the player. However, there is a very high correlation between GDP and the President's salary.

Constitutional

As mentioned earlier in the article, the constitution provides guidelines on what the President should be paid and how long. Constitutions vary by nation, so in this regard, practices can be very different. For example, the United States Constitution stipulates that's all individuals who hold the office are entitled to a state-supplied pension for the entirety of their life, this is not the case for all nations. The US constitution also states that a president can only hold office for a maximum of eight years, during which the salary of the President remains nominally fixed while being linked in real terms to some economic indicator such as the Consumer Price Index. In India, almost everything that the President does or wants to do is taken care of by the annual ₹225 million (US\$3.5 million) budget that the Government allows for his or her upkeep. The salary and allowances of the President are charged from the Consolidated Fund of India and decided by the Central Government, and this matter needs Parliament's approval. Generally, the practice in most countries is that the President cannot independently determine the salary he earns or the length of his term in office. These are matters governed by Parliament in line with the constitution. However, in some countries, the President has undue power over Parliament and, ultimately, the constitution, which in essence gives the President the power to influence their salary.

Personal

It is not unheard of for presidents to either turn down their presidential salary or to request a pay cut. For example, Donald Trump turned down his salary as he felt he did not need it. A president cannot, however, request a pay increase. A common practice in most countries is that any alteration requested during a president's term can only come into effect for the next President.

President Salary Trends

The below table provides the gross basic salaries of presidents from around the globe:

| Country | Annual President Salary |
|----------------------|-------------------------|
| Singapore | \$ 1,442,000 |
| Iraq | \$ 809,673 |
| Cameroon | \$ 620,976 |
| Switzerland | \$ 507,000 |
| Austria | \$ 410,000 |
| Ireland | \$ 401,000 |
| United States | \$ 400,000 |
| Australia | \$ 346,777 |
| Mauritania | \$ 300,000 |
| Canada | \$ 290,000 |
| Italy | \$ 275,147 |

| Country | Annual President Salary |
|----------------------------|--------------------------------|
| Germany | \$ 268,448 |
| New Zealand | \$ 260,245 |
| Azerbaijan | \$ 225,000 |
| South Africa | \$ 223,500 |
| South Korea | \$ 211,320 |
| Turkey | \$ 197,400 |
| Chile | \$ 196,000 |
| France | \$ 194,300 |
| Kenya | \$ 192,200 |
| Uganda | \$ 183,216 |
| Taiwan | \$ 180,000 |
| Guatemala | \$ 178,680 |
| Israel | \$ 173,000 |
| Algeria | \$ 168,000 |
| Greece | \$ 154,739 |
| Equatorial Guinea | \$ 152,680 |
| Lebanon | \$ 150,000 |
| Czech Republic | \$ 149,517 |
| Zimbabwe | \$ 146,590 |
| Finland | \$ 141,367 |
| Uruguay | \$ 139,608 |
| Russia | \$ 136,000 |
| Colombia | \$ 134,676 |
| Suriname | \$ 133,560 |
| Slovakia | \$ 129,284 |
| Dominican Republic | \$ 120,000 |
| Palestine | \$ 120,000 |
| Somalia | \$ 120,000 |
| Comoros | \$ 117,060 |
| Costa Rica | \$ 113,520 |
| Barbados – Governor | \$ 110,499 |
| Republic of Congo | \$ 108,400 |
| Libya | \$ 105,000 |
| Paraguay | \$ 103,044 |
| Brazil, | \$ 102,524 |
| Ivory Coast | \$ 100,000 |
| Namibia | \$ 99,241 |
| Portugal | \$ 96,469 |
| Philippines | \$ 95,554 |
| Mauritius | \$ 93,783 |
| Guyana | \$ 91,700 |
| Georgia – President | \$ 90,890 |
| Cyprus | \$ 90,025 |
| | |

| Country | Annual President Salary |
|---|--------------------------------|
| Liberia | \$ 90,000 |
| Palau | \$ 90,000 |
| Lithuania | \$ 86,136 |
| Rwanda | \$ 85,000 |
| India | \$ 84,500 |
| Panama | \$ 84,000 |
| Slovenia | \$ 80,142 |
| Bulgaria | \$ 79,000 |
| Maldives | \$ 77,768 |
| Ghana | \$ 76,000 |
| Ecuador | \$ 75,132 |
| Estonia | \$ 74,595 |
| Angola | \$ 74,480 |
| Nauru | \$ 74,411 |
| Malawi | \$ 74,300 |
| Hungary | \$ 70,964 |
| Malta | \$ 70,955 |
| Latvia | \$ 70,718 |
| Egypt | \$ 70,400 |
| Jamaica | \$ 70,400 |
| Poland | \$ 70,026 |
| Nigeria | \$ 69,000 |
| Mali | \$ 68,900 |
| Mexico | \$ 67,903 |
| Pakistan | \$ 65,794 |
| Botswana | \$ 65,760 |
| Argentina | \$ 65,320 |
| Gabon | \$ 65,000 |
| Gambia | \$ 65,000 |
| Zambia | \$ 63,100 |
| Fiji | \$ 62,784 |
| El Salvador | \$ 62,172 |
| Romania | \$ 61,296 |
| Marshall Islands | \$ 60,000 |
| South Sudan | \$ 60,000 |
| Peru | \$ 56,530 |
| Papua New Guinea – Governor | \$ 56,249 |
| Grenada – Governor | \$ 55,014 |
| Trinidad and Tobago | \$ 54,600 |
| Indonesia | \$ 51,600 |
| Saint Kitts and Nevis – Governor | \$ 51,000 |
| Honduras | \$ 49,908 |
| Venezuela | \$ 48,816 |
| | |

| Country | Annual President Salary |
|--|--------------------------------|
| Burundi | \$ 47,300 |
| Tanzania | \$ 47,300 |
| Mozambique | \$ 46,800 |
| Ethiopia | \$ 45,270 |
| Saint Vincent and the Grenadines – Governor | \$ 45,042 |
| Croatia | \$ 44,375 |
| Bosnia and Herzegovina – Presidency | \$ 42,650 |
| Central African Republic | \$ 42,524 |
| Myanmar | \$ 40,980 |
| Antigua and Barbuda | \$ 40,225 |
| Bolivia | \$ 39,924 |
| Nicaragua | \$ 38,316 |
| Bahamas | \$ 37,000 |
| Saint Lucia – Governor | \$ 36,111 |
| Burkina Faso | \$ 33,810 |
| Dominica | \$ 33,671 |
| Belarus | \$ 33,600 |
| Montenegro | \$ 33,440 |
| Armenia | \$ 32,400 |
| Vanuatu | \$ 32,295 |
| Micronesia | \$ 32,000 |
| East Timor | \$ 30,000 |
| Benin | \$ 29,810 |
| Sudan | \$ 29,320 |
| Belize | \$ 26,241 |
| Seychelles | \$ 23,700 |
| Guinea | \$ 22,390 |
| China – Party | \$ 22,000 |
| Kazakhstan | \$ 20,400 |
| Cape Verde | \$ 20,380 |
| Albania | \$ 19,665 |
| Kyrgyzstan | \$ 18,800 |
| Tuvalu | \$ 17,660 |
| Nepal | \$ 17,584 |
| North Macedonia | \$ 17,250 |
| Bangladesh | \$ 17,100 |
| Tunisia | \$ 16,700 |
| Chad | \$ 16,640 |
| Solomon Islands | \$ 16,640 |
| Uzbekistan | \$ 15,600 |
| Yemen | \$ 15,300 |
| Senegal | \$ 15,210 |
| Serbia | \$ 14,950 |
| | |

| Country | Annual President Salary |
|-----------------------|-------------------------|
| Afghanistan | \$ 13,400 |
| Tajikistan | \$ 13,200 |
| Sierra Leone | \$ 12,220 |
| Mongolia | \$ 11,620 |
| Ukraine | \$ 11,600 |
| Kiribati | \$ 11,158 |
| Turkmenistan | \$ 10,800 |
| Djibouti | \$ 10,000 |
| Moldova | \$ 9,264 |
| Vietnam | \$ 8,320 |
| Sri Lanka | \$ 7,380 |
| Guinea-Bissau | \$ 6,360 |
| Eritrea | \$ 6,000 |
| Haiti | \$ 3,782 |
| Sao Tome and PrÃncipe | \$ 2,930 |
| Laos | \$ 1,630 |
| Cuba | \$ 360 |

Sample Summary Statistics

The above data consists of a total of one hundred and fifty-seven annual presidential salaries. From the data, we observe the following:

| Statistic | |
|--------------------------|-----------|
| Average | \$104,858 |
| 25th Percentile | \$32,000 |
| Median | \$65,794 |
| 75th Percentile | \$117,060 |
| 95th Percentile | \$309,355 |
| Coefficient of variation | 148% |

The below table shows salaries of a smaller, selected group of presidents alongside the countries average wage. The data consists of a total of 33 countries data. The selection of this group is based purely on availability of data:

| Country | Annual Presidents Salary | Country's Average Wage |
|-------------|--------------------------|------------------------|
| Australia | \$513,967 | \$42,24 |
| Switzerland | \$470,252 | \$58,542 |
| USA | \$389,477 | \$58,572 |
| Germany | \$360,000 | \$45,168 |
| Belgium | \$349,200 | \$48,282 |
| New Zealand | \$330,922 | \$38,360 |

| Country | Annual Presidents Salary | Country's Average Wage |
|-------------|--------------------------|------------------------|
| Austria | \$319,939 | \$47,024 |
| Luxembourg | \$270,720 | \$60,988 |
| Canada | \$260,016 | \$47,130 |
| Denmark | \$243,203 | \$51,197 |
| Sweden | \$238,180 | \$41,689 |
| Iceland | \$236,236 | \$54,511 |
| Ireland | \$228,280 | \$50,321 |
| France | \$214,709 | \$41,861 |
| UK | \$206,664 | \$41,708 |
| Norway | \$205,170 | \$52,231 |
| Japan | \$197,368 | \$37,364 |
| Netherlands | \$188,744 | \$51,443 |
| Chile | \$185,455 | \$27,686 |
| Israel | \$163,786 | \$33,128 |
| Mexico | \$162,409 | \$14,908 |
| Finland | \$157,249 | \$41,018 |
| Turkey | \$144,716 | \$24,980 |
| Italy | \$106,723 | \$34,465 |
| Hungary | \$96,736 | \$21,140 |
| Spain | \$95,350 | \$36,350 |
| Slovenia | \$85,507 | \$34,045 |
| Greece | \$80,237 | \$24,463 |
| Portugal | \$70,448 | \$23,884 |
| Slovakia | \$69,106 | \$22,890 |
| Poland | \$68,184 | \$25,240 |
| Latvia | \$58,075 | \$21,800 |

Sample summary statistics

| Statistic | Annual President's Salary | Country's Average Wage |
|--------------------------|---------------------------|------------------------|
| Average | \$211,470 | \$38,019 |
| 25th Percentile | \$104,226.30 | \$25,174.80 |
| Median | \$201,268.80 | \$39,689.40 |
| 75th Percentile | \$262,692.00 | \$48,791.70 |
| 95th Percentile | \$425,825.82 | \$58,555.50 |
| Coefficient of variation | 56% | 37% |
| Correlation coefficient | 39% | |
| R-Squared | 16% | |

The above table and graph communicate the following key facts:

- The range of President salaries is very wide and varied. This can be determined from the widespread from 25th to 95th percentile as well as the high CV.
- There is a strong relationship between the income level in the country and the salary of the President from that country. Save for the outlier (Australia), see that the relationship is positive via the correlation coefficient.
- The relationship, however, does not appear to be linear rather exponential. This shows that the higher the country's income level, the more other underlying factors start to influence the President's salary.

Conclusion

This article has shown how President salaries are decided, why they are given those salaries, factors that influence the final amount, and the range of values presidents are currently earning. The key takeaway is that the President salaries are not structured like those from the corporate world. They are structured in such a way as to maximize the utility of the nation, not to line the pockets of the President. The salary should not be taken in isolation as the state is still responsible for paying all other costs incurred by the President in line with his duties.

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