

GM halves dividends, slashes salaries

By DAVID RUNK
THE ASSOCIATED PRESS

DETROIT

General Motors Corp., under shareholder pressure to return to profitability, announced Tuesday that it is cutting in half its yearly dividend to \$1 a share and reducing the salaries of its chairman and senior leadership team.

The cut in its dividend will reduce GM's yearly cash payout by about \$565 million.

The automaker also plans to cut health benefits for salaried retirees and evaluate ways to restructure its pension plan for salaried U.S. workers, reducing costs to balance out billions of



"These are difficult decisions that involve sacrifices by our employees, stockholders, retirees and the senior leadership team."

Rick Wagoner
GM chairman and chief executive officer,
whose salary will be cut by 50 percent

dollars of losses in its North American automaking operations.

The announcements came a day after a top aide to billionaire investor Kirk Kerkorian was elected to GM's board. Last month, Jerome York outlined tough measures to bring the

company back to profitability, including halving GM's dividend, cutting executive pay and setting profitability goals.

"These are difficult decisions that involve sacrifices by our employees, stockholders, retirees and the senior leadership team,"

GM Chairman and CEO Rick Wagoner said in a statement.

"However, we are confronting a dramatic change in our industry and in the global competitive environment, and that requires us to look for additional ways to reduce financial risk and improve our competitiveness for the long term."

Although some of GM's actions mirrored York's suggestions, Wagoner said the company has long been working on issues such as health care and pension costs. And he said GM didn't plan to release profitability goals.

Wagoner said the new actions support the company's ongoing North American turnaround plan.

As part of the changes, Wagoner will take a 50 percent pay cut. Vice Chairmen John Devine, Bob Lutz and Fritz Henderson will see their salaries reduced by 30 percent, and Executive Vice President and General Counsel Thomas Gottschalk will take a 10 percent cut.

In addition, there will be no annual or long-term cash bonuses paid to GM's global executives for 2005 performance.

The board of directors also cut its own compensation by 50 percent. Non-employee directors will forgo cash compensation but will keep some of the stock portion of their annual retainer.

GM said it would cap its health care contributions for salaried

retirees at 2006 levels. The change, which affects retirees hired before 1993, surviving spouses and eligible dependents, will reduce GM's annual health care expense by almost \$900 million before taxes, the company said.

The automaker said it was evaluating ways to restructure its pension plan for salaried workers. GM said it would freeze accruals under the current plan and implement a new plan for future accruals, possibly a defined-contribution or cash-balance plan.

GM said its quarterly dividend would be 25 cents a share, compared with 50 cents, where it has stood since the first quarter of 1997.

More homework, please

Some parents say out-of-school assignments are too light

By BEN FELLER
THE ASSOCIATED PRESS

WASHINGTON

Too much homework? Sorry, kids, the adults aren't buying it.

Most parents say their children get the right amount of homework, and most teachers agree, according to an AP-AOL Learning Services Poll.

Even among the parents and teachers who say the load assigned these days is out of whack, more say it's too light, not too heavy.

In Palmdale, Calif., Dwight Daugherty, 52, says his two sons barely take home any homework from high school. "Kids," he says, "aren't being as well educated as I was."

Parents seem rather content, though, with the demands that homework places on their own time.

In the poll, 64 percent of parents said they have little trouble finding time to help with homework, and 57 percent said they spend the right amount of time helping out.

And for those parents who haven't dipped into an algebra or chemistry book in a while?

No worries: 70 percent say the homework they see is not too difficult for them to help with.

Teachers, however, are skeptical about the support children get at home. Almost nine in 10 said parents don't set aside enough time to help.



Jennifer Hardin, center, of Escanaba, Mich., looks over her 9-year-old daughter Sydney's homework in their kitchen as little sister, Emily, 5, right listens and watches Nov. 11.

By subject, math is the one that kids need the most help with, parents and teachers agree.

When Cindy Gilpin's two children bring home math in Burlington, Mass., she tries to help.

But she has a back-up plan for them: "Go find your father."

As homework aids go, the Internet gets high marks, parents and teachers said in the AP-AOL Poll.

More than 80 percent of both groups rated Internet resources as good or very good.

The survey also found:

- Less educated parents spend more time helping kids with take-home assignments.
- The most affluent parents spend the least time helping their

kids with homework.

- Women spend an average 46 minutes a day helping with homework.

- Men spend 35 minutes.

- Black parents spend more time than Hispanics or whites on homework help.

- Public school students spend less time on homework than kids in other schools.

So how much homework is too much?

That's the question that elicits emotion, the one that sends parents to their school board asking why weary kids must lug home huge book bags.

In the poll, only 19 percent of parents said their kids get too much homework.

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