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- Exclusives
- Categories
- Contributors



# **Budget Busting Compensation Packages Plague States**

#### by Brian Garst

There are two distinct sectors in the economy: the private sector and the government sector. The private sector is the productive part of the economy. Competition in the private sector promotes greater efficiency, productivity and innovation than the public, or government, sector is capable of. Yet it is government employees who are the highest paid and have the most job security. This helps explain why so many states are facing acute, budgetary crises.



A new report by Chris Edwards of the Cato Institute highlights the sharp disparity between public and private compensation. Despite producing very little compared to their private counterparts, public sector employees of state and local governments averaged 45 percent more per hour in wages and benefits. And because government never shrinks, public employees are "rarely terminated for cost-cutting or job performance reasons."

\Unionization appears to be a factor in public sector pay. With a few exceptions, Edwards shows that the states with the highest public pay advantage also have the highest share of union workers. But whatever the cause may be, the excessive pension plans provided by states has placed taxpayers in a virtual stranglehold. Unless cuts are made, they are the ones who will have to pony up to provide for public sector workers.

Rather than make the hard choices necessary to reduce these costs and alleviate the burden on taxpayers, states are increasingly turning to the federal government to bail them out. "The federal government is part of our budget problem," California Governor Arnold Schwarzenegger complained while making a pitch for federal dollars in his recent State of the State address. While it's true that unfunded mandates can be burdensome for state budgets, they are ultimately just a scapegoat for reckless state spending.

Rather than heed the Governor's call from California – and it is hardly the only state looking to Washington D.C. for aid – the federal government should make it clear that states must clean their own houses. Only when the spigot of federal dollars is turned off will state lawmakers find the political will to make drastic changes. A good place to start will be to reign in the excessive pay and pension plans of public employees.

Print Blog

Tags: Arnold schwarzenegger, California, Cato Institute, Chris Edwards, private sector, Public Sector, state budget deficits Posted Jan 8th 2010 at 7:31 am in <u>Uncategorized</u> | Comments (21)

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Bob · 58 minutes ago



Here in Florida where I live, we have cut 1000 positions in the County and hundreds in the various cities. Government locally has to balance their books, the Feds just print more money. Unions-aren't they Democrat supporters? SEIU ring a bell?

Report



Paul · 54 minutes ago

+1

+3

The financial crisis proves that re-distribution by intimidation to the non-producers works. This what Odumbo is selling.

2 replies · active 8 minutes ago

Report



mikatollah 81p · 22 minutes ago

+1

The current financial crisis was not caused by the stimulus or any other kind of government spending. If anything it was caused by the failure of the government to properly regulate the financial markets to prevent bad actors from taking on risk that exceeded their ability to cover in the event of failure.

If you are going to receive government insurance you must submit to government oversight.

Reply

Report



SrBadass · 8 minutes ago

Do you believe that government pressure to take excessive risk was a component in the crisis?

Reply

Report



Jon · 51 minutes ago

+1

Good article! Never thought of it in those terms, but it makes perfect sense in explaining all the shortfalls around the country. Im my state, the Governor refuses to cut unionized benefits that would not affect the employees in the long term. I wrote him a letter and the response was that not only were they not cutting benefites, but they were actually greatly increasing them. At the same time he has no problem laying off other people. What a joke. Cut me a tax break.

Reply Report



rovers 79p · 43 minutes ago

+2

The thievery and dishonesty runs amuck through our system. The system is the best ever, just look around. Now if we can lockup, shoot, hang, imprison, dispose of, the pieces of human doo doo that run it contrary to the will of reasonable sound Americans beause they deem themselves elite and us as simple maggots. we can find our way back.

Reply



JCH · 43 minutes ago

0

Hawaii: 20% of the population have "gubment" jobs. They, with their families, all vote will the food stampers, union thugs, and communists. [Guess which party?]

Reply Report



RightTurn · 41 minutes ago

0

I hope all of the anti-capitalism liberals realize that without a public sector (ie. capitalism) there can be no government sector. The government is like a tick, sucking the very lifeblood out of our economy. The bigger that tick gets the more blood (or in this case money) it requires.

Reply Report



bobdog · 39 minutes ago

+1

Just try and cut pensions or government payrolls. Not a chance in hell. Government employees are permanently insulated by the very politicans that support them. Here in Chicago, patronage employees are what greases La Machine.

And on a federal level, do you think for a second that payroll costs for union government employees would be reduced under Obama? OBAMA? Not bloody likely.

Reply Report



rckmom 89p · 38 minutes ago

+1

I live in Florida also, and the job market here is very bleak! I have friends who have been looking for months, and there is nothing out there! Unions should be taken completely out of the equation...!!!

Reply

Ruebacca · 38 minutes ago

These government workers are the core of Democratic support. The Democratic party is the party of the bureaucrat.

Reply

Anonymous · 37 minutes ago

This protection racket, gone unchecked, will eventually bankrupt all fifty states.

Government jobs should not be unionized. Period. Fair labor practices, which are the entire supposed purpose for which unions exist, are best achieved at the ballot box. Who better to trust with the well-being of civil service employees than the people as a whole? In this age of transparent media, unconscionable labor practices in the public sector will be quickly rectified by moderates on both sides of the aisle, without the need for a union.

Public employee unions are inherently corrupt entities involved in an extortion and kickback racket with the politicians they own. Corrupt politicians obey the will of the union and use it to launder taxpayer-funded employee perks, through union accounts, back to their re-election campaigns (by way of mandatory union dues).

Here's a fun fact: labor unions are specifically exempt from penalty under the Racketeer Influenced and Corrupt Organization (RICO) Act. When the RICO Act was written in the 1970's, the politicians behind it saw enough similarities between unions and the Mafia to exempt the former from laws designed to rein in the latter.

The message from Big Government to us: It's not racketeering when we do it.

Reply 1 reply - active 11 minutes ago Report

Spot on. How can there be good faith negotiations when the employer isn't spending its own money?

Reply

Brian F · 35 minutes ago

I also live in FL, and our sheriff had a \$400,000 budget surplus... so he gave everyone a bonus, then spent \$37,000 on a new Camaro for the anti-drug cop to use in the government school. Yeah, the sheriff is a Democrat...

Reply Report

StoryKeeper 74p · 35 minutes ago +1

A silver lining to our recession economy? Just like when the tide is out you can see the rocks, so too when our economy recedes we are better able to see the waste and abuse. Public employee unions are one of the biggest rocks hiding in the surf. I for one would like to see each and every state that has budget deficits like most 'blue' states go through bankruptcy so that they can throw out those bloated union contracts and get to something we can all live with. Trouble is that with the dems in congress and the POS POTUS in the crotch pocket of Andy Stern it will not happen. First thing we need to do when conservatives take back control is to do like Reagan and bust the unions. Unions destroyed our manufacturing base, don't let them make our bureacracies worse than they already are.

Reply 1 reply · active 6 minutes ago

teri · 6 minutes ago

Unions sent manufaturing jobs overseas. So they are now looking to unionize the jobs we have left- why do you think they are pushing so hard for government run health care or "the public option"? Because then all health care workers will be government workers and -with Obama as Union Boss-in Chief- they can unionize all those new workers in one fell swoop. THAT should lower health care costs!

Reply

RWB · 35 minutes ago

These slimebuckets in congress are no different than a drug addict with incureable cancer.

DG in GA · 24 minutes ago

Report

Speaking as someone who is currently unemployed, I'd like to add that it is virtually impossible to GET a government job - especially the Federal government - if you are WHIT,E if you don't have 20+ years of experience working for the government or if you are not politically connected. In fact, several of the questions asked on the government application relate directly to how many years of experience do you have doing EXACTLY the kind of

government work you are applying for. If you don't have that in your work history, forget it. So how is someone who has been very successful in the private sector supposed to compete? Oh yeah, right, YOU'RE NOT!!!

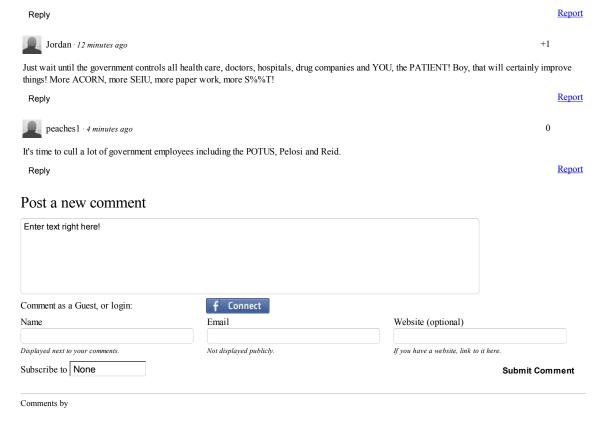
Report Report

peteee · 16 minutes ago

3 of 8 1/8/2010 11:34 AM

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in chicago, they need to cut back, so the non union employees get to be sent home for long weekends pay free, while the union guys don't have to spare a thin dime. new laws need to be enacted limiting pay of government non producers, and also limit the hidden perks in pensions, and insurance. that scumbag who may have killed his wife, drew peterson was supposed to get 76 grand a year just in pension. that is outrageous for a municipal cop, with 26 years on the job. my sister served 26 years in the military, was a chief master seargent, and gets less than half of that, oh, she was a cop in the air force.



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## Obama Funder 'Jodie Evans' In White House Visitor Log days after Code Pink Hamas Trip

#### by Kristinn Taylor and Andrea Shea King

[Note: This is the latest segment in an ongoing series about Code Pink and its co-founder Jodie Evans. Click here to read earlier articles.] The name of Obama funder and terrorist sympathizer Jodie Evans turns up twice in recently released White House visitor logs. [caption id="attachment\_56942" align="aligncenter"...

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