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## The acrimonious battle over public employee unions continues

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— In Wisconsin, newly elected Gov. Scott Walker wants public employees to increase their contributions for health insurance to just 13 percent and start contributing at least something to their pension to help reduce budget over-runs, and to fix it so public employees cannot gain excessive benefits from state legislators paying unions back for their election support.

For trying to follow state law and balance Wisconsin's budget, Gov. Walker has been labeled a "union buster," but despite the accusations, the governor does not want to take away collective bargaining from public employees; he only wants to take fringe benefits out of the negotiations, because that's where the most egregious excesses come from. Fringe benefits equal 47 percent of salaries.

In a desperate but laughable attempt to turn the argument to their favor, union supporters make a lame and plainly false statement: They say the $3.6 billion deficit amassed over two years is actually due to the $137 million in tax cuts the governor gave that haven't even taken effect yet, not public employee costs.

This controversy has focused much needed attention on public employee labor unions. It is a discussion we need to have, and it is likely to get taxpayers, who bear the weight of public employee salaries and benefits, really worked up when they understand just how good most public sector workers have it, compared to workers in the private sector.

A report by the Cato Institute illustrates the differences between public sector workers as a class and private sector workers as a class. Citing 2009 data from the Bureau of Labor Statistics the report shows that public sector workers enjoy total compensation (salaries and benefits combined) nearly half again better than their private sector counterparts, averaging $39.66 an hour for government workers to $27.42 an hour for private sector workers, and one-third higher raw salaries/wages, $26.01 to $19.39 an hour.

Of the nine compensation areas reported, government workers had a significantly better deal than private sector workers in all but two areas. The most glaring difference came in defined-benefit pensions, where government workers had nearly a seven-to-one advantage, and health insurance, where government workers had more than twice as much of their benefits paid for than the employees of the nation's businesses.

Cato reports that public sector workers also enjoy the following advantages:

• They generally retire earlier than private sector workers with generous pension benefits for life, indexed for inflation.

• Virtually all their plans calculate benefits based on pay in the last one to three years of work; private plans normally use the last five years of pay or career-average pay.

• In several states public workers can "retire" early and then either resume their existing job or take a new job, thus receiving a salary and pension at the same time.

Public sector workers also enjoy far greater job security than workers in the private sector. Consider Reason.com's report last May showing that when the financial crisis began in December of 2007, U.S. private sector employment was almost 116 million and employment in government at all levels was about 22.4 million. However, by the beginning of 2010, the private sector had lost 7.3 million jobs while government employment rose by 98,000 jobs.

It often goes unmentioned in the mainstream media that the effect of higher compensation of public sector union labor raises costs to government entities, and those costs have consequences. In both business and government, higher costs result in higher prices, both of which make the business or government less competitive. State and local governments are thereby less able to attract new residents and businesses, and retain existing residents and businesses. When businesses leave a state or city, jobs go with them and tax collections go down, putting pressure on budgets and creating deficits.

Case in point: Ohio has the 7th highest taxes among the 50 states. The Tax Foundation found that since 1993 Ohio has seen 231,000 more taxpayers leave the state than move into it, and during the same period, state spending grew from $38 billion to over $60 billion, a 58 percent increase in the face of declining population. The Buckeye State saw job losses totaling 255,000 from December 2008 to December 2009.

Government is parasitic; it exists by confiscating the fruits of the private sector, taking what the people earn through the sweat of their brow. Government therefore has an obligation to be frugal and efficient.

Public sector unions do not fit into that scenario because of the incestuous relationship with elected public servants who readily accede to their excessive demands. In the 2008 election cycle, labor unions threw in $400 million to buy favors from their preferred candidates, and that explains why government employees have it so good.

Unionized government employees comprise a pressure group whose interests often are at odds with those of the general public whom they exist to serve. They should not have the power to shut down essential public services in a dispute over wages or benefits, like Wisconsin teachers have done with their "sick out" while they protest the potential loss of their golden goose.

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