



'Compassionate' talk at Heritage Foundation

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The Heritage Foundation today hosted a panel discussion on the public-private pay gap that didn't really touch on a whole lot that hasn't already been hashed out over the last several months. But it did yield this interesting exchange in response to a reporter's question about the Obama administration's claims that stimulus dollars saved state and local government jobs:

Chris Edwards, Cato Institute: What's wrong with layoffs of state and local government workers? ... Recessions create a sort of weeding out in the private sector, where companies lay off the least efficient workers, and then they're ready to grow again when the economy starts booming. We don't see that healthy weeding-out effect in the government sector, unfortunately. I've got kids in public school in Fairfax County, and I don't see anything wrong with, during a recession when money is tight, for schools to lay off teachers and have the teacher-pupil ratio rise a bit. What's the big deal?

Andrew Biggs, American Enterprise Institute: If state and local workers are actually 10 percent underpaid, as these studies claim, then by laying them off you're giving them the opportunity to get a private sector job where you can earn 10 percent more. [laughter]

Jason Richwine, Heritage: It's the compassionate thing to do.

Biggs: Exactly.

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