
Cato Institute Allied with SEIU? Not Quite

Michael Warren

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Over at the *Washington Post*, [Greg Sargent blogs](#) that the Cato Institute is claiming that [a new advertisement](#) by Crossroads GPS, a conservative non-profit founded by Karl Rove, “distorts” the libertarian think tank’s data. The ad comes in response to the Wisconsin public-sector union battle and references a report authored by Cato’s Chris Edwards from March of 2010. According to the ad, unionized government workers earn, on average, 42 percent higher wages than non-unionized workers. Here’s Sargent:

In fact, Edwards points out, Cato’s study compared unionized government workers only with *non-unionized government workers*, not with non-union workers overall, and found the first group doing better. In other words, even if the study’s overall thrust is critical of public unions, Cato’s actual finding on wages would be likely to persuade workers that unions are a *good* thing – if you’re unionized, you make more than those in the same sector who are not unionized. Instead, the ad misrepresented the finding.

That’s not all. Edwards points out that the ad rips the 42 percent figure out of context, further distorting what his study actually found in another way. The study did claim the 42 percent number, but it went on to state specifically that this difference can be partly explained by “general labor market variations across states,” because “states with generally higher wages tend to be more unionized.”

Edwards told Sargent that a more accurate figure for how much more unionized government workers earn in wages in 10 percent, though he tells me on the phone that number does not factor in the varying levels of benefits state workers earn.

Sargent’s blog post was picked up by many of the large unions. The SEIU, for instance, emailed reporters on Wednesday to say that “even the right-leaning Cato Institute doesn’t agree with Crossroads’ attacks on middle-class workers.”

That’s certainly a stretch. Edwards and Cato are both plenty critical of unionized government workers. In [the report cited in the Crossroads ad](#), Edwards writes, “Collective bargaining is a misguided labor policy...states should follow the lead of Virginia and ban collective bargaining in the public sector.”

Edwards says he hadn’t seen the Crossroads ad before Sargent contacted him and while the group was “sloppy with the data”, he says he doesn’t know if the distortion was deliberate. “They copy-edit these ads down,” Edwards says. “They’re not economists.”

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