

Crossroads GPS says unionized government workers are paid 42 percent more than non-union workers

Republicans fighting the opinion battle over their push to weaken government unions often have sought to contrast the compensation of public-sector workers with that of America's private workforce.

Now they are spotlighting public vs. public.

As in unionized government workers vs. non-union ones.

In a \$750,000 national cable TV ad blitz, [Crossroads GPS](#), a conservative issues advocacy group affiliated with Republican strategist Karl Rove, portrays government unions as self-serving bullies collecting mandatory dues to influence liberals such as President Barack Obama.

Against a backdrop of newspaper headlines on the Wisconsin fight over union rights, the 60-second ad asks why Democrats are "shutting down state capitols" with protests.

The ad's answer: "to protect a system that pays unionized government workers 42 percent more than non-union workers."

That's an eye-popping number.

As the intense protests continue over Wisconsin Gov. [Scott Walker's successful push to limit collective bargaining](#) in the public sector, we decided to check it out.

For support for the number, Crossroads GPS spokesman Jonathan Collegio cited a Cato Institute [bulletin](#) from March 2010. The bulletin from Cato, [a libertarian think tank](#), explicitly calls on states to ban collective bargaining in the public sector.

"Collective bargaining is a misguided labor policy because it violates civil liberties and gives unions excessive power to block needed reforms," Chris Edwards, the institute's director of tax policy studies, wrote in the bulletin.

That quote leaves no doubt about where Edwards is coming from.

Let's turn to some of his numbers.

He presents 2009 data from the U.S. Bureau of Labor Statistics and concludes that "unionized public sector workers have much higher average wages and benefits than non-unionized public sector workers."

Specifically, Edwards wrote that union members have a 31 percent advantage in wages and a 68 percent advantage in benefits.

An accompanying table of statistics combines the wage and benefits advantage into one number: total compensation.

Total compensation is 42 percent higher for the union workers, Edwards concluded.

The same figure -- 42 percent -- is cited in the Crossroads ad.

Case closed?

Not exactly. As Collegio, the spokesman for the group, notes, the ad pulls a hard number directly from the study. But there are some problems.

First, the ad says the system "pays" union workers a 42 percent premium. It makes no mention of benefits, even though the Cato report combines the two to get the 42 percent gap.

That confuses the comparison right from the start.

That point -- "pay" vs. "total compensation" -- didn't bother Edwards.



Share this story:

Recommend 64

9



This ad, run by Crossroads GPS, is tied to the collective bargaining fight in Wisconsin

But the use of the 42 percent number did.

It troubles us, too.

Edwards says the number is taken out of context and the more accurate total compensation gap is lower, perhaps by a considerable amount.

Let's home in on part of the equation, wages. The study showed a 31 percent gap favoring union members by that measure. But that number, based on raw government data, has not been adjusted to make the comparison across states more valid.

Edwards noted the study concludes that part of the union-nonunion gap stems from general labor market variations across states.

"States with generally higher wages tend to be more unionized," the study says. "Analyses that hold constant such cross-state differences find that public-sector unions increase average pay levels by roughly 10 percent."

That's a far cry from 31 percent.

And the 31 percent was critical in arriving at the 42 percent.

How far off is the 42 percent figure?

Edwards said it's impossible to say. While wages have been studied effectively, he said, studies on benefits are rare, partly because benefits vary so much from place to place.

We found another study by a libertarian think tank that supports Edwards' contention that a much lower wage number is more accurate.

The [Freedom Foundation](#), based in Washington state, published [a study in 2010](#) that put the gap at 11 percent to 12 percent for state and local government workers, union vs. non-union. Freedom Foundation, which supports Walker's union move in a petition drive on its website, compared comparable employees, and controlled for state effects, demographics, experience, education, marital status and occupation.

Meanwhile, University of Wisconsin-Milwaukee researchers found an even smaller wage gap of about 5 percent.

Economists Keith Bender and John Heywood collaborated on an April [2010 study on](#) compensation. Bender, a public sector labor expert, told us that a large body of research has put the figure around 5 percent.

So, whatever the true figure, it would substantially reduce the 42 percent used in the ad.

Let's take a final look at a related point.

Edwards also took issue with wording in the ad that might lead some viewers to think that the ad is comparing government workers to private employees -- not public union workers with public non-union workers.

Let's take a look back at the ad's language (italics added): "a system that pays unionized government workers 42 percent more than non-union workers."

Would some readers or listeners think Edwards is comparing public to private because the ad fails to modify that second "workers" with the prefix "government?"

We suppose they could -- and [critics have said](#) it could be a tactic to pit private workers against government workers. But the entire context of the ad is public sector.

Let's review.

Crossroads GPS, a conservative group seeking to illustrate the cost of public sector unions says unionized government workers are paid 42 percent more than non-union workers. The study it cites for backup does contain that figure, but the number is misleading because it is not adjusted for important differences between states. Even the author of the study makes this point.

There is a gap of some size. So, the ad contains an element of truth in highlighting a pay gap, but uses an inflated number. That rates a Barely True.