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## Time for public employee groups to face reality

By **George Hawkins**

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The president of the United States recently suggested a wage freeze for most federal employees. He thinks it should last for two years.

The objections from some labor leaders were nearly instantaneous. The president wanted to freeze the wages of an already poorly paid group, they shrieked. Poorly paid, indeed. According to Chris Edwards, director of tax policy studies at the Cato Institute, the average pay for 1.9 million civilian public employees was more than \$79,000 per year in 2008. In the private sector 108 million employees were paid an average wage of just over \$50,000 in 2008. Mr. Edwards drew this data from the Bureau of Economic Analysis' annual report.

What astounds some even more is that eight years earlier, according to Mr. Edwards' review of the BEA, the total average compensation for federal civilian employees was higher than that of the private sector by 66 percent. In other words, wages and fringe benefit levels for government civilian employees were about two-thirds higher than that of the nation's private sector workers. During the eight-year presidency of George W. Bush, that well-known enemy of public employee unions, the average went up. In 2008 the average compensation for civilian public employees was double that of employees in the private sector. The unions can wrest wage improvement from almost anyone, it seems.

President Obama apparently wants to slow that growth down a bit. Perhaps he has had a glimpse of reality, or maybe the future.

While it is clearly not analogous it is eerily coincidental that at the same time, another government leader has figured it out. Just a few weeks ago, according to a report in *Time* magazine, Cuban President Raul Castro said he wants to lay off more than 10 percent of his government work force. The message included complaints that the country can no longer sustain "inflated payrolls" that "generate bad ... habits." This announcement came via the Cuban labor union.

I re-emphasize that the two countries and situations are not comparable. I don't mean to compare U.S. government civilian employees to those in Cuba, where fully 90 percent of all employees are paid by the government. However, if we continue to grow our own public employee sector and continually increase its pay and fringe benefit levels, we could face a similar need to reduce not only payroll but the number of government employees. We may be there already.

Hmm. Which is better: a pay freeze or the elimination of all pay?

Just down the street from our home, a small upholstery store, which has been in business since 1963, is now struggling in this very difficult economy. Over the last couple of years its customers have chosen to hide the cuts, torn and worn spots of their damaged car seats and furniture and boat upholstery with inexpensive covers to save money. This small taxpaying business is suffering.

The shop is run by a husband and wife. During the afternoons the wife helps out with estimates and some of the small projects that come in. However, as a result of this downturn in business these days the wife now also works a graveyard shift at a local all-night restaurant to help her husband save their business. Meanwhile, the San Diego City Council is arguing over big box stores, local labor leaders decry any freeze on employee pay and some cry for an increase in taxes. Do they want to pay public employees more?

Instead of squealing like stuck pigs, government employee labor union leaders should turn their attention to solutions. Find ways to increase efficiency. Reduce the cost burden to the private sector. It is, after all, the private sector that pays the wages of public employees.

It is time for public employee groups to face reality. Government workers have the lowest unemployment level of any group, are paid better than most nongovernment employees groups, have job security second to none and retirement packages that are extraordinary. A two-year wage and benefit freeze is the least they can do.

*Hawkins is retired after 35 years as a construction industry association manager. He was a broadcast reporter and news anchor in Denver, Colo. As a Navy officer, he saw action in Vietnam in the River Assault Squadrons and is the recipient of a Silver Star and Purple Heart.*

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