

Ronald Pilenzo: Rein in pay, perks of federal employees before it's too late

Ronald Pilenzo, Hobe Sound, is president/CEO of The Global HR Consultancy.'

Tuesday, February 14, 2012

After reading the column, "Fox 'facts' faux on federal salaries, pensions, perks" Jan. 7 by Patricia Lavins, a retired federal employee, I must add some facts. While Ms. Lavins' comments are for the most part correct, other facts tell a clearer story about her claim that the pay, pensions, Social Security and health insurance benefits of federal government employees are underpaid. This is not true. Here's why.

What is not clarified in the column is the total cost of pay and benefits of federal workers. When all benefits are taken into consideration, the total cost (see below) is significantly greater than the average private-sector worker. The irony is that most taxpayers cannot afford the same pay and perks being afforded government workers at all levels.

According to the Cato Institute, the average pay of a federal government worker was \$51,518 in 2000 and \$81,258 in 2009. The private sector average was \$38,862 in 2000 and \$50,462 in 2009.

USA Today (March 2010) offers another comparison. It reports average compensation of federal government workers (2 million in total, excluding postal workers) was \$75,296 in pay and \$23,323 in benefits that included medical, pension and other benefits for a total of \$98,619.

Yet another source, the Bureau of Economic Analysis, a government agency, indicates that the average pay (including benefits) for a government employee is \$123,049 compared with \$61,051 in the private sector.

While there are some differences, the facts (not Fox faux) reveal that federal government workers are generally earning more than double their private sector counterparts and therein lies the problem.

While Ms. Lavins claims class warfare and unwarranted attacks by the GOP on government workers, a more objective view of why the GOP is clamoring for reforms lies relates to the growth of pay and benefits and its unsustainability as currently structured.

In particular, the cost of public-sector pensions already has bankrupted some cities and towns. Even states are at risk over retirement obligations. Wall Street Journal

Chief Economist Stephen Miller estimates that "the cost of state and local government is one half of the \$2 trillion deficit obligation across the United States and that pensions are the primary cause."

Federal government retirement plans are an example of government generosity. Workers not only enjoy one, but three different forms of pension benefits in the form of an annuity, Social Security and a 401-k plan with options for investment, ironically, something the Democrats and the current administration opposes in any reform in the Social Security system. In contrast, almost 50 percent of Americans have no pension plan and rely solely on Social Security.

In summary, when the federal government employs more workers than the construction, farming, fishing, forestry, manufacturing, mining and utilities industries combined, there is something drastically wrong with our economy.

According to the U.S. Bureau of Labor Statistics (January 2011) the number of employees in the federal government earning more than \$100,000 a year increased 22 percent from 2006 to 2011. Reform also is needed at the local level. Almost 500 employees in Palm Beach County earn more than \$100,000. In Martin County, 81 employees earn more than that amount, including 76 in the Fire and Rescue Department, not including benefits. Many also retire at more than 90 percent of pay.

What is important to remember here is the growing disparity between government and private sector workers. Class warfare claims on both sides of the argument should focus on strategies that consider total compensation, not just pay. Reducing, not increasing, the cost of indirect pay (benefits) including pensions, paid leave time, excessive overtime and cheap health care, would bring about a significant change in the disparity and reduce costs and budgets. But our elected officials do not appear to have the intestinal fortitude to make such adjustments simply because they themselves often are beneficiaries of these same, overly generous programs and perks.

Taxpayers and elected officials must work to achieve fairness in all government pay and benefit programs. Unless they do, economic conditions in this country will not improve for decades.



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