

PUBLIC VS. PRIVATE PAY IN MONTANA EXAMINED

A recent study released by the Cato Institute claims public employees in the Montana region generally enjoy better job security and total compensation than their counterparts in the private sector.

As economic conditions have tightened, the issue of public vs. private pay has garnered increased scrutiny. A news report in USA Today this month examined the issue at the national level and found similar results. "Federal employees earn higher average salaries than private-sector workers in more than eight out of 10 occupations," USA Today reported.

In Montana, state and local government employees received an average total compensation package of \$60,435 a year in 2008. That's according to a study released by the conservative-leaning Cato Institute, a think tank headquartered in Washington, D.C.

Total compensation in the mountain states (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico and Wyoming) equaled \$26.18 per hour for private sector employees and \$36.14 for state and local government workers, according to the study. However, a state lawmaker and union official say it's important to put information into context and make sure valid comparisons are being used.

Eric Feaver is president of the MEA-MFT, the largest public union in the state representing around 18,000 teachers, state and local government employees. Feaver said teachers tend to have more education which could skew the comparisons.

"You have kind of an apple/orange circumstance," Feaver said. "Most folks aren't going to tell you that teachers are overpaid and underworked."

Cato Director of Tax Policy Studies Chris Edwards, who authored the study, said Montana is about average in unionization and state and local compensation for public employees. Edwards said in addition to compensation, people should take into account the stability public employees generally have.

"Especially in a recession that high job security has a value..." Edwards said.

The study says layoffs and discharges in the public sector typically are around one-third the rate of the private sector.

"Public sector workers are rarely terminated for cost-cutting or job performance reasons," the study said. Edwards said he would recommend Montana move toward more of a Virginia model and ban collective bargaining and forced union dues for public employees. The study titled, "Public Sector Unions and the Rising Costs of Employee Compensation," reportedly shows a link between the degree of unionization among public employees and degree of compensation.

State Senate Minority Leader Carol Williams, D-Missoula said any suggestion to ban collective bargaining for employees is a bad idea that would represent a "step back."

"People have a right to belong to a union and bargain for wages," Williams said. "I think it's a terrible idea...These are the things that come out of economic downturns."

State Senator Joe Balyeat, R-Bozeman is a member of the business, labor, and economic affairs committee. Balyeat said he would have to study Edwards' suggestions before offering an opinion, but stated in his observation government pay and benefits in the state do outpace that of private employers.

"It's absolutely striking," Balyeat said. "Legislators and policy makers in Montana shouldn't pay attention when union bosses try to manipulate the numbers to suggest union members are underpaid."

Williams said Montana did enact a wage freeze for state employees.

Edwards said he was not aware of that.

"Good for them," he said.

Feaver said pay in Montana typically lags in both the public and private sectors.

"If you look nationally, you aren't going to see that employees, public or private, are rolling away with the dough," he said.

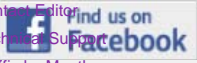
To read the full study go to: <http://www.cato.org/pubs/journal/cj30n1/cj30n1-5.pdf>

The MEA-MFT Web site is located at: <http://www.mea-mft.org/index.htm>

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