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1:50 pm CST - April 29, 2010

## Government Employees Now Make Higher Salaries Than Private Sector Workers

By [Byron Schломach, Ph.D.](#)



When I worked for a state legislator in Texas, his policy was his legislative offices were open any time his private business was open. I spent many a lonely day in a largely abandoned Texas Capitol on government holidays that were ignored by the world in general. I also enjoyed marvelous health insurance benefits. The birth of my third child cost me personally a total of \$20.

Wonderful benefits, extra holidays & job security for government employees are often justified as relatively inexpensive perks that compensate for comparatively low government pay.

That justification, however, no longer applies.

The Cato Institute recently pointed to data from the U.S. Bureau of Labor Statistics that show just how well state and local government employees are paid. On an hourly basis, government employees receive salaries that, on average, are 34% higher than private workers.

Benefits are even better, with government paid leave worth 77% more and health insurance valued at 118% higher.

Most government workers enjoy a lifetime claim on taxpayers' wallets when they retire, too.

State-level statistics are not as easy to break down. However, the Tax Foundation has shown that in 2007, Arizona's average state and local government employee made \$300 a year more in total compensation than the average private worker.

The latest federal statistics show that in 2008, the margin had grown to more than \$1,000.

Considering today's budget problems, it's time to get government employee pay & benefits under control, including paid leave, health insurance and retirement pensions.

We could start by moving government employees to high-deductible health insurance plans coupled with tax free Health Savings Accounts. This could save the state millions in annual premium increases. We should also convert government pensions to defined contribution plans—like a private sector 401k—instead of defined benefits.

This won't be a huge short-term money saver, but it will keep the state solvent in the long-run.

Dr. Byron Schломach, formerly with Texas State Representative Kent Grusendorf & the Texas Public Policy Foundation in Texas, is an economist & the director of the Center for Economic Prosperity at the Goldwater Institute.

TXTV



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To Learn More on this subject visit the Goldwater Institute: \$50 Billion Tidal Wave: How Unfunded Pensions Could Overwhelm Arizona Taxpayers

Cato Institute: Employee Compensation in State and Local Governments

Tax Foundation: Average Total Compensation in State and Local Government, Federal Government, Military, and Private Sectors, 2001 and 2007

@dehurst4texas #txgop  
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**Robert Schmid**  
2:57 pm CST  
April 29, 2010

This would be a more meaningful idea if the state data was actually in alignment with the national data you report. However, recent state data shows that TEXAS government employees are paid, on average, 17% LESS than the private sector.

<http://irvingblog.dallasnews.com/archives/2010/04/texas-has-wide-gap-in-pay-betw.html>

**CWJensen**  
4:35 pm CST  
April 29, 2010

Robert you MUST be a government employee or really naive. This is what you get at the link provided:

Texas has wide gap in pay between private, government workers  
9:22 AM Thu, Apr 29, 2010 | Permalink  
Brandon Formby/Reporter Bio | E-mail | News tips

A new study about the gap between private- and public-sector employees touches on some of the issues discussed earlier this week. The study found that Texas' government employees earn 17 percent less than private employees with similar experience and education. That gap is larger than the national disparity.

Sounds like something I would demand to SEE the study, sources used, qualifications of the researchers, and MOST of all verifiable data.

This is the KIND of BLIND FAITH that has lead taxpayers and voters to question everything.

FYI: you can download the salaries of 300,000 Texas employees here:  
<http://www.texastribune.org/library/data/government-employee-salaries/>  
They do NOT make it obvious but it is there if you look.....it says download spreadsheet here.

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