

[Wage Gap Widens Between Private and Public Sectors](#)[| Print |](#)

Written by Charles Scaliger

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According to a [new study by the Cato Institute](#), the gap between the haves and the have-nots in the United States continues to widen. This isn't much of a surprise; we've all become accustomed to the dire warnings, mostly from anti-business liberals within the government, about the rich getting richer and the poor getting poorer. The irony is that those rich, over-privileged classes include – indeed, are dominated by – government employees.

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The average annual pay for our roughly 1.95 million federal civilian employees stands at \$81,258.

America's 101 million private sector workers, on the other hand, earn an average of only \$50,462. Not only that, the so-called "federal pay advantage" has increased dramatically over the past decade; in the year 2000, federal and private sector employees made, on average, \$51,518 and \$38,862, respectively. Put otherwise, the average private sector salary was 75 percent of the average federal salary ten years ago; now, it is only 62 percent.

Nor do raw salary statistics tell the full story. When the value of average employee benefits is factored in, the gap is starker still: \$123,049 for federal employees versus a mere \$61,051 for those in the private sector – more than a 50 percent advantage for the feds. A decade ago, the figures were \$76,187 and \$45,772, respectively – a 40 percent advantage for government workers.

Federal employees also enjoy much greater job security -- as anyone paying attention to all the Obama Administration government layoffs that never happened will appreciate. The layoff rate in the private sector in 2009 was a whopping 24.1 percent, while federal employees were laid off at an almost negligible 7.7 percent. Not only that, federal employees obviously appreciate the superior benefits and privileges of their occupation; the "quit rate" among federal civilian employees in 2009 is a paltry 2.3 percent, compared to 19.1 percent for private-sector workers.

Such statistics tell a sobering story, namely, that we have allowed the creation of a veritable American aristocracy, a sprawling class of white collar untouchables who feast at the taxpayer-funded trough and fight fiercely for ever-expanding wages and benefits at the expense of everyone else. Most of these government functionaries and apparatchiks are less than non-productive. Like the legions of colorless "chancellery rats" with whom the literature of Czarist Russia is populated, a majority of modern American government employees do little more than process paperwork made necessary by millions of government regulations and policies (few of which are themselves constitutionally legitimate in the first place).

Government – even limited, legitimate government – is never productive. At best, limited government can protect the private sector from fraud and violence, ensuring that contracts are honored and property rights upheld. In this way, good government can maximize opportunities for peaceful commerce, while keeping the need to hamper commerce via taxation and restrictive legislation to an absolute minimum. But government per se produces no wealth and contributes no store to capital reserves. A "blue collar" assembly line worker earning \$30,000 per annum produces far more wealth than a six-figure government employee with a JD or MBA. Yet the latter, in 21st century America's Bizarro World economics, enjoys the security of the best health insurance available, a generous pension plan, and almost unassailable job security, while the latter endures the indignity of cyclical layoffs, no pension, and the specter of economic ruin should serious health problems arise.

To be sure, something of the same kind of disparity exists between non-productive white collar private sector workers like accountants, lawyers, insurance brokers, and the like, but all of these provide services that the private sector actually wants, and do not confiscate taxpayer dollars as compensation for their work.

Every empire, from Rome and Byzantium to pre-revolutionary France, Czarist Russia, the Ottomans, and the modern United States, has tended over time to enlarge the state to far greater size than the productive private sector can possibly support. All save America (so far) ultimately collapsed in bloodshed and terror when the public sector refused to restrain its appetite for the assets of the private sector, insisting until the bitter end on the indispensability of the state and all of its unwanted bureaucratic overburden.

Unless Americans take steps at the ballot box this fall, and in successive elections, to remove those on Capitol Hill who patronize the parasitic classes, America's public-private gap will continue to widen until the have-nots have had enough.