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Public Sector Gets Even Fatter

Posted By [John Stossel](#) On August 10, 2010 @ 4:00 pm In [Economy](#), [Government](#), [Unions](#) | [14 Comments](#)

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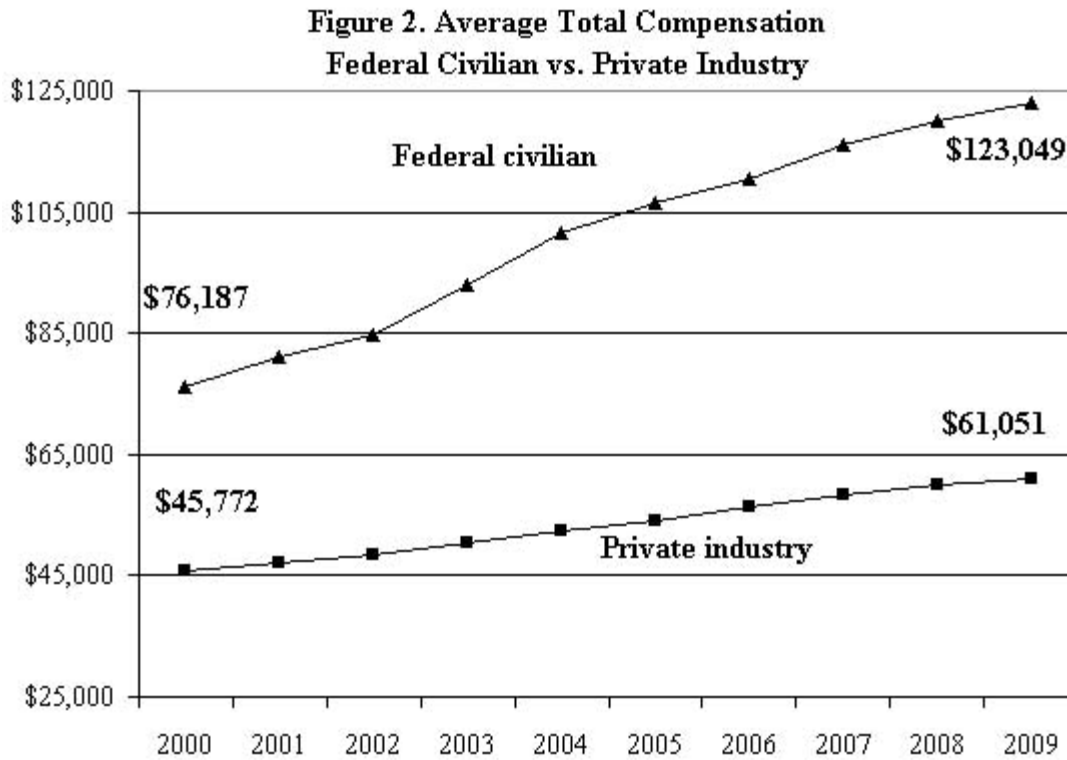


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[Ted DeHaven at Cato](#) ^[1] points me to the new Bureau of Economic Analysis report that shows government workers continue to gain on the private sector workers who struggle to pay for what Washington doles out. Last year, the average federal government employee's salary increased by almost \$3,000, while the average private sector salary grew by less than \$1,000.

It's not a new trend:



[2]

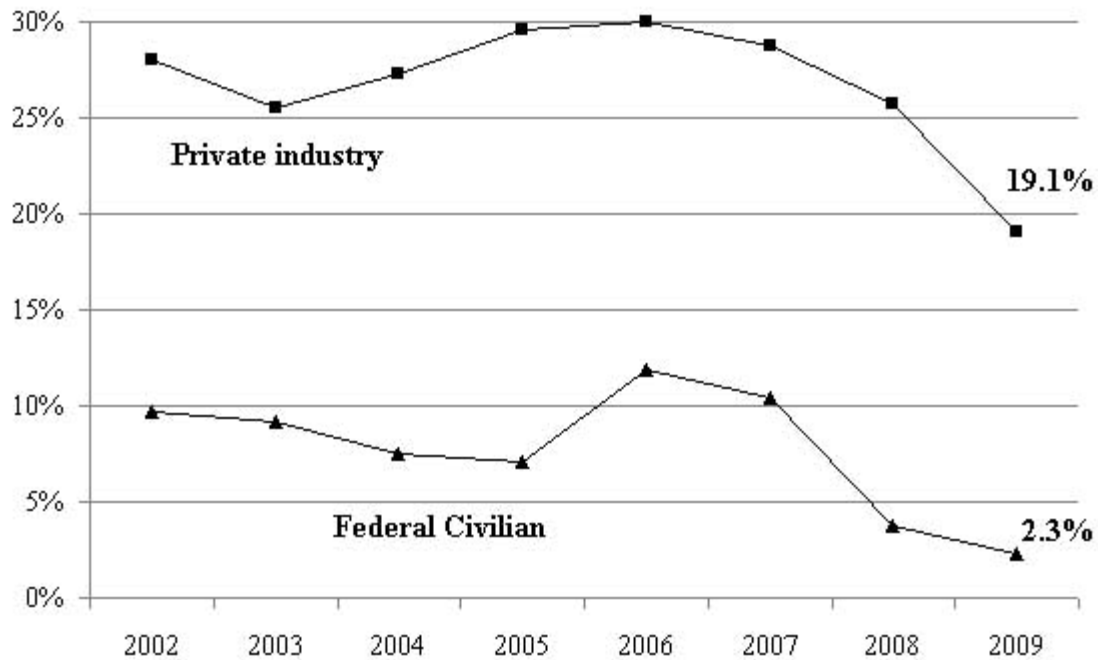
Ted DeHaven, Cato@Liberty

Paul Krugman [argues](#) ^[3] that government workers *should* be paid more because they are better educated. [But economist Steven Landsburg retorts](#) ^[4]:

Krugman is certainly right that you can't take the raw data at face value... Sure, let's correct for education levels. Let's also correct for the fact that public sector employees work fewer hours per week. And for differences in pension plans, and job security, and working conditions.

How can we ever be sure we've counted everything important? We can't... So let's do something sensible instead. Let's look at quit rates...

**Figure 4. Annual Quit Rate
Federal Civilian vs. Private Industry**



[5]

Ted DeHaven, Cato@Liberty

government employees sure do seem to like holding on to their jobs. More than just about anyone else, in fact. Doesn't that tell us everything we need to know about who's overcompensated?

It sure tells us a lot.

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[1] [Ted DeHaven at Cato](http://www.cato-at-liberty.org/2010/08/10/federal-employees-continue-to-prosper/): <http://www.cato-at-liberty.org/2010/08/10/federal-employees-continue-to-prosper/>

[2] Image: <http://stossel.blogs.foxbusiness.com/files/2010/08/fed-image-1.jpg>

[3] [argues](http://krugman.blogs.nytimes.com/2010/08/09/schoolteachers-driving-cadillacs/): <http://krugman.blogs.nytimes.com/2010/08/09/schoolteachers-driving-cadillacs/>

[4] [But economist Steven Landsburg retorts](http://www.thebigquestions.com/2010/08/09/i-cant-resist/): <http://www.thebigquestions.com/2010/08/09/i-cant-resist/>

[5] Image: <http://stossel.blogs.foxbusiness.com/files/2010/08/fedworkers2.jpg>

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