



## Despite recessions, public-sector pay rises

By Christopher Scott, [cscott@lowellsun.com](mailto:cscott@lowellsun.com)

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LOWELL -- The last decade has been lucrative for public-sector workers, as salaries have risen steadily -- despite two recessions -- particularly for those who oversee school districts, colleges and universities.

A random survey by The Sun of state and local public-sector salaries found, for example, that the minimum increase over the period for a local school superintendent, in Westford, was nearly 30 percent.

The top increase was seen at University of Massachusetts Lowell, where the chancellor's salary rose about 83 percent during the last decade.

Of more than 50 positions surveyed, the second-highest increase -- nearly 67 percent -- was seen at Middlesex Community College.

The superintendent salaries at the three local vocational schools, Greater Lowell Regional Technical High School, Nashoba Valley Technical High School and Shawsheen Valley Technical High School, also rose significantly during the 10-year period: about 50, 65 and 57 percent, respectively.

"There's no question public salaries are out of control," said Barbara Anderson, executive director of Citizens for Limited Taxation, a 35-year-old organization that bills itself as "The Voice of Massachusetts Taxpayers."

The steady rise in local public-sector salaries also

mirrors the national trend, according to the Cato Institute. Citing U.S. Bureau of Labor Statistics figures, public-sector compensation averaged \$39.66 per hour in 2009, 45 percent higher than the private-sector average for the same period, \$27.42.

The Cato Institute also found that state and local governments cover significantly higher shares of health insurance, retirement benefits, life insurance and paid sick leave.

"Aside from the monetary benefits of public sector employment, government workers enjoy very high job security," Chris Edwards, Cato's director of tax study policies, wrote in a Cato bulletin. "During good times and bad, 'layoffs and discharges' in the public sector occur at just one-third the rate of the private sector. Public sector workers are rarely terminated for cost-cutting or job performance reasons."

The Cato Institute also divided the country into nine regions. Using Labor Department statistics, it found that in New England public employees' compensation averaged \$43.22 an hour in 2009, compared to \$33.29 for private-sector workers in the same year. New England was third behind the Pacific region (\$49.02 to \$30.78) and Middle Atlantic, (\$48.53 to \$31.69). At the bottom of the list was West South Central (\$30.73 to \$24.35).

Anderson traces the roots of the wage and benefit problem to the early- and mid-1990s, when state and local coffers overflowed with revenue and permit fees. Rolling in cash, legislators -- whether at the state or local level -- did not say no to the public-sector unions.

Plus, she said, many municipal negotiating bodies, like boards of selectman and school committees, are

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no match for professional negotiators hired by municipal unions.

"They come in like Sylvester Stallone in F.I.S.T. and it's over," said Anderson.

There's no doubt, said Thomas Scott, executive director of the Massachusetts Association of School Superintendents, that school heads enjoy a strong bargaining position -- primarily because so few of them are willing to do the job.

If a superintendent's job opened up a decade ago, it would be customary for more than 50 candidates to apply.

"Today, a school district is lucky to get 25," said Scott, the former Concord-Carlisle Regional School District superintendent. "Search consultants will tell you the pools (of candidates) are now puddles and the puddles are muddy. Consequently, those in the market are in the driver's seat when negotiating." Unlike many of their counterparts who are unionized, superintendents are not, and negotiate individually with their school committees.

There are currently 277 superintendents in the state. In Western Massachusetts, the average salary is less than \$100,000. In eastern communities, the average salary is "well over \$200,000."

Steve Poftak and Andrew Bagley, research directors for the Pioneer Institute and Massachusetts Taxpayers Foundation, respectively, have followed the escalation of public salaries and agree with Edwards.

However, both researchers said salaries don't comprise the full picture, as the cost of public-sector benefit packages also strain government

budgets.

According to federal labor statistics, state and local governments pay significantly higher shares of employee health insurance, retirement, life insurance and sick leave costs than the private sector.

Suspecting that some benefit packages are cash cows, Poftak said some municipal leaders in Massachusetts are carefully looking in the "the nooks and crannies" of benefit packages to save money.

Edwards, of the Cato Institute, wrote that state and local governments across the nation face "huge fiscal challenges.

"Spending on Medicaid is soaring, debt is rising rapidly and many governments have massive gaps in their pension and healthcare funding," he wrote. "To solve these problems, governments need to make major budget cuts. And with employee compensation representing half of total state and local spending, large savings could be found by freezing wages and overhauling excessive benefit packages."

Council 93 of the American Federation of State, County and Municipal Employees, represents nearly 40,000 state, county and municipal workers in Massachusetts. Spokesman James Durkin, said rank and file are well aware of constraints on municipal budgets and have done their part to help.

"Many of our members have taken zero raises," said Durkin. Others have made concessions on health care and other benefit packages.

Durkin suggested that if more private-sector

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workers were unionized, there would be less  
disparity between public- and private-sector wages.

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