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Commentary

Bureaucracy gets a bailout

Congress is forcing taxpayers to rescue an unsustainable public sector.

By Jim Powell

In voting to spend \$10 billion to save schoolteachers' jobs last week, Congress bailed out government employees who have fatter paychecks and pensions than those doing the same kind of work in the private sector. The money came on top of hundreds of billions of dollars in government-employee bailouts that preceded it, and it won't be the last such bailout, either.

According to the U.S. Bureau of Labor Statistics, government employees make more money than private-sector workers in 83 percent of comparable occupations. These include broadcast technicians, budget analysts, chemists, civil engineers, information-systems managers, cooks, crane operators, dental assistants, economists, electrical engineers, financial analysts, graphic designers, janitors, landscape architects, laundry workers, librarians, machinists, mechanical engineers, office clerks, public-relations managers, recreation workers, registered nurses, secretaries, sheet-metal workers, statisticians, and surveyors.

Hourly pay for employees of state and local governments - which employ the bulk of government workers - is an average of 20 percent to 40 percent higher than wages in the private sector.

The latest poster boy for government greed is Robert Rizzo, who was the city manager of Bell, Calif., a working-class town southeast of Los Angeles with a population of about 36,000. Rizzo was paid a sweetheart salary of \$787,637 a year. His total annual compensation was reported to be \$1.5 million, including 20 weeks of paid vacation. And he was also entitled to an annual pension of \$600,000.

Rizzo wasn't the only Bell official who hit the jackpot. Assistant City Manager Angela Spaccia reportedly enjoyed \$845,000 a year in total compensation, while Police Chief Randy Adams got \$770,000. Moreover, Bell City Council members pocketed almost \$100,000 a year each for their part-time elected positions. (Rizzo, Spaccia, and Adams resigned a few weeks ago, after the Los Angeles Times detailed their excesses.)

In general, government employees tend to enjoy gold-plated benefits in addition to their generous salaries, according to the Bureau of Labor Statistics. Eighty-eight percent of state and local government employees have access to employer-provided health insurance, compared with 71 percent of private-sector employees. And government employees pay about half as much of their health-insurance premiums (11 percent) as do private-sector employees (20 percent).

Furthermore, while only 65 percent of private-sector workers have access to employer-provided retirement benefits, 90 percent of state and local government employees do. Government pension plans are so generous with taxpayers' money that they account for much of the financial trouble afflicting state and local governments.

Incredibly, although government employees are often better off than their counterparts in the private sector, politicians have forced taxpayers to guarantee their ability to continue living in the style they have become accustomed to.

Taxpayers are on the hook for both their own losses and those of government-employee pension funds, estimated at \$1 trillion. Moreover, when inflation decreases the purchasing power of government employees' retirement benefits, taxpayers are required to hand over more money in the form of "cost-of-living adjustments" - even though nobody guarantees the pension plans or purchasing power of taxpayers. And President Obama's runaway spending has overwhelmingly served to protect the jobs of government employees and other unionized workers, despite the fact that millions of other taxpayers have lost their jobs.

Forcing taxpayers to guarantee the jobs, pensions, and purchasing power of people who are already better off than they are is not only inequitable; it also insulates government employees from the consequences of excessive government spending. This leaves government workers with no incentive to restrain spending.

Taxpayers should be liberated from the burden of supporting this privileged class. There should be no more bloated government payrolls with excessive pay and benefits packages. And there should be no more money spent to protect government jobs and pensions at the expense of taxpayers who are already hard-pressed to take care of themselves and their families.

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