The shameful attack on public employees

BY ROBERT REICH

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In 1968, 1,300 sanitation workers in Memphis went on strike. The Rev. Martin Luther King, Jr. came to support them. That was where he lost his life. Eventually Memphis heard the grievances of its sanitation workers. And in subsequent years millions of public employees across the nation have benefited from the job protections they’ve earned.

But now the right is going after public employees.

Public servants are convenient scapegoats. Republicans would rather deflect attention from corporate executive pay that continues to rise as corporate profits soar, even as corporations refuse to hire more workers. They don’t want stories about Wall Street bonuses, now higher than before taxpayers bailed out the Street. And they’d like to avoid a spotlight on the billions raked in by hedge-fund and private-equity managers whose income is treated as capital gains and subject to only a 15 percent tax, due to a loophole in the tax laws designed specifically for them.

It’s far more convenient to go after people who are doing the public’s work - sanitation workers, police officers, fire fighters, teachers, social workers, federal employees – to call them “faceless bureaucrats” and portray them as hooligans who are making off with your money and crippling federal and state budgets. The story fits better with the Republican’s Big Lie that our problems are due to a government that’s too big.

Above all, Republicans don’t want to have to justify continued tax cuts for the rich. As quietly as possible, they want to make them permanent.

But the right’s argument is shot-through with bad data, twisted evidence, and unsupported assertions.

They say public employees earn far more than private-sector workers. That’s untrue when you take account of level of education. Matched by education, public sector workers actually earn less than their private-sector counterparts.

The Republican trick is to compare apples with oranges — the average wage of public employees with the average wage of all private-sector employees. But only 23 percent of private-sector employees have college degrees; 48 percent of government workers do. Teachers, social workers, public lawyers who bring companies to justice, government accountants who try to make sure money is spent as it should be - all need at least four years of college.

Compare apples to apples and and you’d see that over the last fifteen years the pay of public sector workers has dropped relative to private-sector employees with the same level of education. Public sector workers now earn 11 percent less than comparable workers in the private sector, and local workers 12 percent less. (Even if you include health and retirement benefits, government employees still earn less than their private-sector counterparts with similar
educations.)

Here’s another whopper. Republicans say public-sector pensions are crippling the nation. They say politicians have given in to the demands of public unions who want only to fatten their members’ retirement benefits without the public noticing. They charge that public-employee pensions obligations are out of control.

Some reforms do need to be made. Loopholes that allow public sector workers to “spike” their final salaries in order to get higher annuities must be closed. And no retired public employee should be allowed to “double dip,” collecting more than one public pension.

But these are the exceptions. Most public employees don’t have generous pensions. After a career with annual pay averaging less than $45,000, the typical newly-retired public employee receives a pension of $19,000 a year. Few would call that overly generous.

And most of that $19,000 isn’t even on taxpayers’ shoulders. While they’re working, most public employees contribute a portion of their salaries into their pension plans. Taxpayers are directly responsible for only about 14 percent of public retirement benefits. Remember also that many public workers aren’t covered by Social Security, so the government isn’t contributing 6.25 of their pay into the Social Security fund as private employers would.

Yes, there’s cause for concern about unfunded pension liabilities in future years. They’re way too big. But it’s much the same in the private sector. The main reason for underfunded pensions in both public and private sectors is investment losses that occurred during the Great Recession. Before then, public pension funds had an average of 86 percent of all the assets they needed to pay future benefits — better than many private pension plans.

The solution is no less to slash public pensions than it is to slash private ones. It’s for all employers to fully fund their pension plans.

The final Republican canard is that bargaining rights for public employees have caused state deficits to explode. In fact there’s no relationship between states whose employees have bargaining rights and states with big deficits. Some states that deny their employees bargaining rights - Nevada, North Carolina, and Arizona, for example, are running giant deficits of over 30 percent of spending. Many that give employees bargaining rights — Massachusetts, New Mexico, and Montana — have small deficits of less than 10 percent.

Public employees should have the right to bargain for better wages and working conditions, just like all employees do. They shouldn’t have the right to strike if striking would imperil the public, but they should at least have a voice. They often know more about whether public programs are working, or how to make them work better, than political appointees who hold their offices for only a few years.

Don’t get me wrong. When times are tough, public employees should have to make the same sacrifices as everyone else. And they are right now. Pay has been frozen for federal workers, and for many state workers across the country as well.

But isn’t it curious that when it comes to sacrifice, Republicans don’t include the richest people in America? To the contrary, they insist the rich should sacrifice even less, enjoying even larger tax cuts that expand public-sector deficits. That means fewer public services, and even more pressure on the wages and benefits of public employees.

It’s only average workers – both in the public and the private sectors – who are being called upon to sacrifice.

This is what the current Republican attack on public-sector workers is really all about. Their version of class warfare is to pit private-sector workers against public servants. They’d rather set average working people against one another – comparing one group’s modest incomes and benefits with another group’s modest incomes and benefits – than have
Americans see that the top 1 percent is now raking in a bigger share of national income than at any time since 1928, and paying at a lower tax rate. And Republicans would rather you didn’t know they want to cut taxes on the rich even more.

-- Robert Reich