

## Compensation Below Private Sector

### Study Finds 'Overpaid' City Workers an Urban Myth

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By DAVID SIMS |

The average New York City employee earns 17 percent less than the average worker in a private, for-profit business, according to a study by City Comptroller John C. Liu that refutes many of the claims made in the media alleging inflated compensation for civil servants.

The March 9 report, "Municipal Employee Compensation in New York City," shows that along with the 17-percent disparity in average wages, public-employee wages are more evenly distributed with less disparity between the lowest and higher earners, and that the fringe benefits such as pensions and low-cost health care they receive "do not offset the adverse pay differential for highly educated city workers."

#### Puts Discussion in Context

"These findings about municipal salaries are an important foundation for any discussion about public employee pensions," Mr. Liu said in a statement. "The issue of retirement needs to be looked at in the context of the overall compensation package earned by public employees."

The report was authored by the Comptroller's Chief Economist, Frank Braconi, who said, "These local findings reflect similar studies of public- versus private-sector wage patterns both across the states and nationally."

Some of the more-specific findings in the report include that Teachers are paid less than workers with similar education in the private sector, even adjusting for their shorter work-years.

Mr. Braconi found that comparing Police Officers and Firefighters to the private sector was more difficult because few jobs are comparable, but the report states that their salaries "roughly track those of male college graduates in the private sector."

#### 'Do Better, But Still Fall Short'

When health and pension costs are factored in, Mr. Braconi wrote, "city workers fare better," but "do not change the overall picture." Specific comparisons were difficult in a lot of cases, such as Police Officer, he explained.

"While we find that New York City Police Officers generally earn more than comparably aged private-sector workers with similar educational profiles, they also work night shifts, work outdoors year round, and are exposed to physical dangers," he said. "Those are working conditions for which most people would probably require a pay premium to consider."

In general, though, he concluded, "The wages of City of New York employees are not, on average, higher than their private-sector counterparts." He continued, "Although the city's employees are older and more educated than workers in the private sector, they earn less in salaries and wages than the average worker in the city's private, for-profit firms."

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