

## GUEST COLUMN

# Playing the blame game is no way to fix Michigan's budget

Gov. Rick Snyder holds much promise for improving Michigan's future.

I support the governor and legislators as they try to deal with Michigan's very real and very severe budget issues. I am excited the governor has said he'll look at everything and is open to all suggestions. That's why a recent statement of his is surprising. Gov. Snyder's Jan. 31 press release read:



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"State and local government employee compensation in Michigan has grown while private sector compensation has fallen. Between

2000 and 2009, compensation of the average private sector worker fell 13 percent while it increased 19 percent for state government employees and 13 percent for local government employees."

While this may be a popular perception, a more honest way would be to say the budget crisis is so serious that everyone must make sacrifices to bring the budget back into balance. Presenting limited information does a disservice to all, especially those seeking solutions.

The statement seems to place blame on state and local government employees for some of the current budget woes. I'll bet that interpretation is not what the governor intended.

When seeking everyone's sacrifice, I don't think it is helpful to turn Michigan's citizens against each other.

As a local government employee, I offer the following for consideration. I do so not as an apologist for public employees, but rather to add more background for consideration. I won't play the game of driving wedges between Michigan citizens.

Public employees tend to hold a higher percentage of college degrees than private sector employees. In 2008, the nonpartisan House Fis-

cal Agency ([www.house.mi.gov/hfa/](http://www.house.mi.gov/hfa/)) released a study using 2007 data and posted on its website, which concluded:

"Michigan state employees who do not hold a college degree tend to be compensated somewhat better than private sector employees. However, Michigan state employees with college degrees tend to earn appreciably less than their counterparts in the private sector, and the difference in earnings between Michigan state employees and private sector employees grows significantly as the level of educational attainment rises."

The same study noted that 55 percent of state employees hold a bachelor's degree or higher compared with 27 percent of private workers.

According to the study, a state employee with a bachelor's degree earns (remember, 2007 data) \$51,646 annually, compared with \$71,378 for a private sector worker. It also found a state employee with a master's degree earns \$60,962, compared with \$97,937 for a private sector worker.

What are we to make of these findings? That educational attainment has no value in public employment? I would hope not.

A 2010 national study conducted jointly by the Center for State and Local Government Excellence and the National Institute of Retirement Security titled "Out of Balance? Comparing Public and Private Sector Employment over 20 Years" ([www.slge.org/](http://www.slge.org/) and [www.nirsonline.org](http://www.nirsonline.org/)), found wages and salaries of state and local employees were lower than those for private sector employees with comparable earnings determinants, such as education and work experience.

According to the study, state workers typically earn 11 percent less and local government workers earn 12 percent less. Even after accounting for the value of retirement, health care and other benefits, state and lo-

cal employees earn less than their private sector counterparts.

On average, total compensation is 6.8 percent lower for state employees and 7.4 percent lower for local employees. While this is a national study, the study covered Michigan with similar results.

This study points out state and local government employees make less per hour than comparable private sector employees but get better benefits. This may be due to a common refrain I have heard stated many times by local government employees and elected officials alike. It goes like this, "Public employees are paid less per hour but they make it up with good benefits." We certainly now know this has been a poor practice hurting the long-term financial health of state and local governments.

Other points for more complete picture include:

- ▶ Michigan state employment is down 17 percent since 2001, and non-corrections employment is down 40 percent since 1980.

- ▶ Michigan ranks 48th out of the 50 states in the number of state and local employees per 10,000 population.

- ▶ New state employees will pay 20 percent of premium costs for their health insurance.

- ▶ Many local government employees have accepted pay freezes in recent years and increased their contribution to health care premiums. While the percentage public employees pay for health insurance premiums still lags that of private sector workers, the move is toward higher and higher payments.

Clearly, Michigan's budget crisis is real. As I began, an honest way is to say the budget crisis is so real and so severe that everyone must make sacrifices. Let's skip the blame game and work together to find fair sacrifices shared by everyone.

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