



FACTS: PUBLIC EMPLOYEES

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Indiana public-sector workers are undercompensated compared with private-sector counterparts

Full-time state and local government employees in Indiana are undercompensated by 7.5%, when compared with otherwise similar private-sector workers.¹ A rigorous analysis using a comprehensive monthly database² that includes the necessary variables—education, experience, hours of work, organizational size, gender, race, ethnicity, citizenship, and disability—provides the most accurate comparison of public- and private-sector compensation in Indiana.

The facts:

- On an annual basis, full-time state and local workers and school employees are undercompensated by 7.5% in Indiana, in comparison to otherwise similar private-sector workers. When comparisons are made for differences in annual hours worked, the gap remains, albeit at a smaller percentage of 5.9%.
- Indiana public-sector workers are more highly educated than private-sector workers; 49% of full-time Indiana public-sector workers hold at least a four-year college degree, compared with 24% of full-time private-sector workers.
- College-educated public-sector workers earn 6% less in total compensation than private-sector employees, a disparity that grows even larger, however, when comparing professional employees, such as lawyers and doctors.
- In addition to having higher education levels, Indiana state and local government employees, on average, are also more experienced (24.1 years) than their private-sector counterparts (21.6 years).
- Public employees—like all other American workers—have been victims of the worst recession since the Great Depression. In fact, severe financial problems as a result of the Great Recession have forced state, county, and municipal officials across the country to make massive cuts in spending. As a result, tens of thousands of public-sector employees have been laid off and thousands more have been subject to forced furloughs, pay freezes, and cuts in benefits.

¹ See the 2011 EPI Briefing Paper, *Are Indiana Public Employees Overcompensated?*, by Labor and Employment Relations Professor Jeffrey Keefe, Rutgers University. The study uses data collected primarily from the National Compensation Survey, and in accordance with standard survey practice, focuses on year-round, full-time public- and private-sector employees.

² U.S. Census Bureau and Bureau of Labor Statistics.