



FACTS: PUBLIC EMPLOYEES

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New Jersey public-sector workers are undercompensated compared with private-sector counterparts

Full-time state and local government employees in New Jersey are undercompensated by 4.1%, 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 New Jersey.

The facts:

- On an annual basis, full-time state and local workers and school employees are undercompensated by 4.1% in New Jersey, in comparison with otherwise similar private-sector workers. When comparisons are made for differences in annual hours worked, the gap actually grows to 5.9% because New Jersey's public employees have fewer opportunities to work overtime.
- On average, New Jersey public-sector workers are more highly educated than private-sector workers; 57% of full-time New Jersey public-sector workers hold at least a four-year college degree compared with 40% of full-time private-sector workers.
- For college educated labor, New Jersey's state and local governments pay on average 10% less than private employers. The earnings differential is greatest for professional employees, such as lawyers and doctors.
- In addition to having higher education levels, New Jersey state and local government employees, on average, are also more experienced (24 years) than their private-sector counterparts (22 years).
- State and local government employees receive a higher portion of their compensation in the form of employer-provided benefits, and the mix of benefits is different from the private sector. Public employers underwrite 34.1% of employee compensation in benefits, whereas private employers devote 30.8% of compensation to benefits.

¹ See the 2010 EPI Briefing Paper, *Are New Jersey 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.