



FACTS: PUBLIC EMPLOYEES

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Wisconsin public-sector workers are *undercompensated* compared with their private-sector counterparts

Full-time state and local government employees in Wisconsin are undercompensated by 8.2%, 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 Wisconsin.

The facts:

- On an annual basis, full-time state and local workers and school employees are undercompensated by 8.2% in Wisconsin, in comparison with their peers in the private sector. When differences in annual hours worked are factored in, the gap shrinks but remains 4.8% lower for public employees.
- Wisconsin public-sector workers are more highly educated than private-sector workers; 59% of full-time Wisconsin public-sector workers hold at least a four-year college degree, compared to 30% of full-time private-sector workers.
- Wisconsin state and local governments and school districts pay college-educated workers, on average, 25% less in total compensation than do private employers. On the other hand, the roughly 1% of public-sector workers without high school diplomas tend to earn more than their peers in the private sector because the public sector sets a floor on earnings.
- In addition to having higher education levels, Wisconsin state and local government employees, on average, are more experienced (22.5 years) than their private-sector counterparts (21.3 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 elected 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 Wisconsin 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.