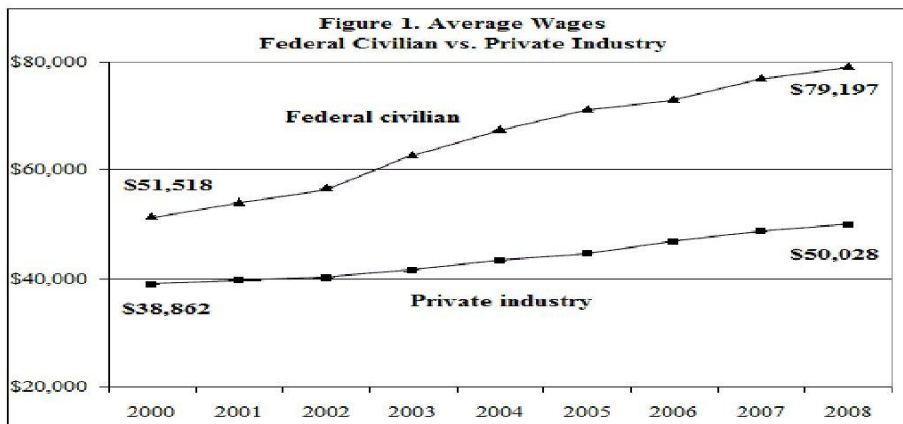


Fed Feasts While Private Sector Suffers America's Growing Public-Private Compensation Gap

A shocking Bloomberg news report says the United States is bankrupt and we don't even know it!¹ America's growing public-private compensation gap is one of the primary culprits. In the August 10, 2010 edition of *The USA TODAY* an article titled *Federal Workers Earning Double Their Private Counterparts*,² pointed out that private sector employees pay and benefits have taken a hit, while the average compensation for federal employees has robustly doubled that of the private sector. The report stated "federal workers have been awarded bigger average pay and benefit increases than private employees for nine years in a row. The compensation gap between the federal and private workers has doubled in the past decade."³



But a look at the numbers paints an even more disturbing picture. "Federal civil servants earned average pay and benefits of \$123,049 in 2009 while private workers made \$61,051 in total compensation."⁴ Of the \$123,049 salary for federal employees, \$81,000 is salary and \$41,000 is benefits including health care, pension, etc. In the private sector, of the total \$61,000, salary was comprised of \$50,000 and \$10,000 was benefits.⁵ Likewise, state and local government employees' average salary is basically \$70,000 (\$53,000 salary + \$17,000 benefits) compared to the \$61,000 in the private sector. Here's a *USA TODAY* chart explaining the above numbers.

¹ <http://www.bloomberg.com/news/2010-08-11/u-s-is-bankrupt-and-we-don-t-even-know-commentary-by-laurence-kotlikoff.html>

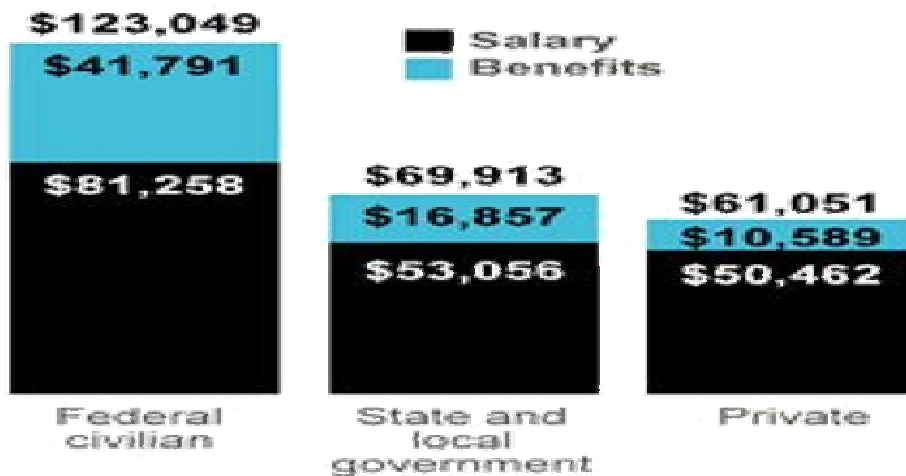
² http://www.usatoday.com/money/economy/income/2010-08-10-1Afedpay10_ST_N.htm?csp=usat.me

³ *Id.*

⁴ *Id.*

⁵ http://www.rushlimbaugh.com/home/daily/site_081010/content/01125107.guest.html

Average compensation in 2009:



Source: Bureau of Economic Analysis
By Julie Snider, USA TODAY

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The report indicated that the number of federal employees making salaries of \$100,000 or more jumped from 14 to 19 percent of civil servants during this recession.⁷ So while hundreds of thousands of Americans struggle to put food on their tables, government workers at all levels—local, state, and federal—are doing extraordinarily well during this recession, as evidenced by higher salaries and benefits that generally exceed than the average private sector employee.

According to the President himself we are in the “worst economy since the Great Depression,” and as such we must make every effort to rescue the economy from destruction, including as he says, calling on Americans to sacrifice for the good of the country. In an interview with George Stephanopoulos, Obama remarked, “Everybody’s going to have to give. Everybody’s going to have some skin in the game.” Again in June of 2009, he told Americans, “I want you to know what you’re doing is making a sacrifice for the next generation.”

The hypocritical fact is that the only people having to sacrifice in these hard times are private sector employees. Just this year Obama requested a 1.4 percent across-the-board pay hike in 2011 for the two-million person federal workforce.¹ Small businesses have been paralyzed by this administration. Fearful of what federal disaster lies ahead in the form of mandates, tax hikes, penalties, etc., business owners – the backbone of our free enterprise system are today treading water.

So what is the real truth behind this federal oasis? Obama and his liberal cohorts are strategically destroying our nation’s free market economy. By dramatically increasing the size, scope and overall reach of the government while shrinking the private sector he will tip the scales – putting the majority of employees on the federal dole. According

⁶ <http://www.downsizinggovernment.org/overpaid-federal-workers>

⁷ http://www.usatoday.com/printedition/news/20091211/1afedpay11_st.art.htm

to Congressman Pete Sessions, since Obama took office, the United States has lost 2.5 million free enterprise, private sector jobs and added between 300,000 and 500,000 federal government jobs.⁸

According to the Cato Institute, compensation represents a huge federal expense as the total wages and benefits paid to executive branch civilians was \$230 billion in 2010. The report also stated that “The federal work force has become an elite island of secure and high-paid workers, separated from the ocean of average American workers competing in the global economy. It is time for some restraint.”⁹

It appears that the Federal government is feasting and getting fat, while the private sector starves. Ronald Reagan was right again when he said, “Sometimes I think that government fits that old-fashioned definition of a baby: an alimentary canal with an appetite at one end and no sense of responsibility at the other.”

With Obama overseeing this massive federal expansion, it is literally sucking the life-blood from the private sector and destroying any hope for true economic recovery. The government does not create wealth, but rather destroys or redistributes it. The public sector does not have any funding until it taxes a private sector worker. The private sector worker must first make and sell a product or service before it is subsequently taxed on his profits. The government gets paid not by creating marketable products or services, but by taxing those who do create wealth—those in the private sector.

Ronald Reagan said it best when he stated, “*There are 73 million of us working and earning in the private sector. We support ourselves and our dependents. We support, in addition, 81 million other Americans totally dependent on tax dollars for their year-round living. Now it’s true that 15 million of those are public employees and they also pay taxes, but their taxes are simply a return to government of dollars that first had to be taken from 73 million. I say this to emphasize that the people working and earning in the private sector are the only resource that government has.*”¹⁰

These words ring especially true in today’s difficult economic times.

What is the solution?

Cap, Cut, and Grow! As citizens we must be the voice of reason and do our utmost to stop Washington’s insatiable money-spending ways that will lead to our ultimate destruction. That is why Grassfire Nation has launched a national petition demanding an end to the spending madness. Our “Cap, Cut and Grow” petition is a straightforward blueprint to reverse our government’s downward spiral through:

⁸ <http://www.politifact.com/texas/statements/2010/aug/08/pete-sessions/pete-sessions-federal-government-has-gained-500000/>

⁹ <http://www.downsizinggovernment.org/overpaid-federal-workers>

¹⁰ Ronald Reagan, *Keep the Free Market Alive*, Hillsdale College, Nov. 10, 1977.

- 100 percent cap on all federal spending. No baseline budgeting. No increases.
- 10 percent cut in all government spending (with the exceptions being Social Security and Medicare that Americans have paid into for decades.
- Grow our Economy by taking of the government shackles and restraints empowering our businesses to boldly move forward without fear!

Grassfire Nation is mobilizing at least 200,000 citizens over the next 30 days, who support our “Cap, Cut and Grow” initiative. Once our goal is reached, we will hand-deliver at least 200,000 petitions to the White House, Senate and Finance Committee, the House Budget committee and other key members of Congress demanding an end to the spending madness.

To be part of the solution, sign Grassfire Nation’s **CAP, CUT, GROW** petition by clicking here. <http://www.grassfire.com/129/petition.asp>