



Iowa's Privileged Class: State-Government Employees

by Amy K. Frantz

Public Interest Institute first published an article highlighting the Pay Gap between Iowa's private-sector workers and the state's government workers in 1996. Since that time, we have periodically revisited this topic, providing updates with the latest economic data. Unfortunately, the results have remained the same throughout the years that the Institute has been publishing this information – Iowa has the largest Pay Gap in the nation – that is, state-government employees in Iowa earned relatively more than private-sector workers anywhere in the United States. In 2012, the latest year for which data is available, Iowa's state-government workers received an average wage that was 151.03 percent of what the average private-sector worker in Iowa was paid.

The Pay Gap is calculated using the data provided in the U.S. Department of Labor's Bureau of Labor Statistics' annual publication, "Employment and Wages, Annual Averages," which gives the average annual wage of a state-government worker and the average annual wage of a private-sector worker for each of the 50 states and the District of Columbia. Our study uses these figures to determine the Pay Gap between the average state-government worker and the average private-sector worker in each state. We then rank the states from highest to lowest Pay Gap. We do not directly compare private-sector wages to state-government wages; rather we compare the differences between the two numbers and use that to rank the states. We use data from the federal government, and the only calculation we perform is to determine the percentage difference between the two figures.

The argument is often made that state-government workers are paid more because they are generally more highly educated than the average private-sector worker, and state-government workers are typically full-time employees. However, if this is true in Iowa, it is also true across the United States. Iowa's state government may include judges and football coaches and university physicians – but so does every other state. If Iowa's annual average wage for private-sector employees includes a larger number of part-time employees than does the state-government sector, this is also true in every other state. If Iowa has a Pay Gap because of these differences, every other state should have a Pay Gap of a similar size. But Iowa's Pay Gap is larger by far than any other state. These differences may explain, in part, why there is a Pay Gap, but **they do not explain why Iowa's Pay Gap is so much larger than in other states and is the largest in the nation!**

Those attempting to justify the nation's largest Pay Gap between state-government workers and private-sector workers in Iowa are often those who benefit from that Pay Gap – state-government employees or those they can convince to make their case for them, who obviously have a self interest in preserving the Pay Gap. Many have made false claims about what our study said and claimed that those falsehoods have been discredited, but no one has ever been able to discredit our actual study, based on the government's own data.

Public Interest Institute's POLICY STUDY, Iowa's Privileged Class: State-Government Employees, can be viewed at <http://www.LimitedGovernment.org/ps-14-2.html>.

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Table 1. 2012 Average Annual Wages in Private and State-Government Sectors, All States

State	Private Sector Average Annual Wages	State-Government Sector Average Annual Wages	State-Government Percent of Private Sector (Pay Gap)	State Ranking of Pay Gap
Iowa	\$39,761	\$60,053	151.03%	1
Rhode Island	\$44,633	\$62,198	139.35%	2
Ohio	\$43,601	\$57,477	131.82%	3
Wisconsin	\$41,760	\$53,552	128.24%	4
Michigan	\$46,217	\$57,608	124.65%	5
Vermont	\$40,206	\$49,587	123.33%	6
New Mexico	\$39,521	\$48,218	122.01%	7
Illinois	\$52,322	\$63,710	121.77%	8
South Dakota	\$36,306	\$43,507	119.83%	9
Nebraska	\$38,660	\$46,294	119.75%	10
Mississippi	\$35,264	\$41,870	118.73%	11
Montana	\$35,987	\$42,478	118.04%	12
Utah	\$41,163	\$48,480	117.78%	13
Wyoming	\$44,310	\$51,972	117.29%	14
Alabama	\$41,079	\$48,001	116.85%	15
California	\$56,295	\$65,685	116.68%	16
Kansas	\$41,817	\$47,889	114.52%	17
New Jersey	\$58,089	\$66,232	114.02%	18
Idaho	\$35,882	\$40,716	113.47%	19
Arizona	\$45,235	\$51,225	113.24%	20
Minnesota	\$49,750	\$55,299	111.15%	21
Alaska	\$49,587	\$55,054	111.03%	22
Arkansas	\$37,881	\$41,962	110.77%	23
South Carolina	\$38,663	\$42,640	110.29%	24
Pennsylvania	\$48,147	\$53,073	110.23%	25
Nevada	\$42,410	\$46,716	110.15%	26
Louisiana	\$43,518	\$46,902	107.78%	27
Hawaii	\$40,871	\$43,874	107.35%	28
Kentucky	\$40,228	\$42,945	106.75%	29
North Carolina	\$43,040	\$45,404	105.49%	30
Maine	\$38,082	\$40,116	105.34%	31
Indiana	\$41,357	\$43,028	104.04%	32
West Virginia	\$39,258	\$40,487	103.13%	33
Colorado	\$50,920	\$52,496	103.10%	34
Florida	\$42,447	\$43,596	102.71%	35
Oregon	\$43,678	\$43,810	100.30%	36
North Dakota	\$46,823	\$46,954	100.28%	37
Delaware	\$51,697	\$51,773	100.15%	38
Washington	\$51,765	\$51,740	99.95%	39
Oklahoma	\$41,863	\$41,726	99.67%	40
Massachusetts	\$61,467	\$60,173	97.89%	41
Maryland	\$51,910	\$50,418	97.13%	42
New Hampshire	\$48,775	\$47,171	96.71%	43
Tennessee	\$44,261	\$42,723	96.53%	44
Connecticut	\$63,146	\$60,881	96.41%	45
Texas	\$51,593	\$47,714	92.48%	46
D.C.	\$76,456	\$70,686	92.45%	47
Virginia	\$51,381	\$45,955	89.44%	48
New York	\$63,912	\$57,014	89.21%	49
Missouri	\$43,128	\$38,195	88.56%	50
Georgia	\$46,980	\$40,624	86.47%	51

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employment and Wages, Annual Averages 2012"

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