

Public and private pay levels: a comparison in large labor markets

*City government workers in major localities
earn less than private industry counterparts,
but they enjoy comparable leave benefits;
since 1975, clerical staff in both sectors
have gained ground on Federal employees*

FELICE PORTER AND RICHARD L. KELLER

Local government workers in 27 of the Nation's largest cities¹ generally fared less well than those in private industry during the late 1970's, as fiscal constraints tightened municipal purse strings. Despite losing ground to the private sector (and to Federal blue-collar employees), clerical workers in city governments increased their pay advantage over Federal Government clericals whose pay raises in recent years have been "capped" by Presidential decisions. Paralleling patterns in private industry, the highest paying city governments typically were in the North Central States and in the West and the lowest paying were in the South.

These findings are based on an analysis of municipal government wage surveys, conducted by the Bureau of Labor Statistics between the summer of 1974 and fall of 1980, in cities with approximately 500,000 inhabitants or more at the time of the 1970 census.² The surveys covered selected occupations in all functions of each city, except schools and hospitals. However, some functions such as local transit and utilities may be integral parts of one municipal government but handled separately (for example, by private industry) in another. Limitations on comparing data presented in this article include: varying workweeks among city governments; consolidation of city occupational titles; the paucity of city government data for some occupations; differences in the geographic coverage of private industry data,

which pertain to Standard Metropolitan Statistical Areas rather than just to cities; differences in the industrial composition of private industry occupational data; and subtle variations in occupational duties and responsibilities among city governments, private industry, and Federal installations. Notwithstanding the limitations of the data, these surveys provide a base for occupational wage comparisons among city governments and among three components of local labor markets—private industry, the Federal Government, and city government.³

Pay trends

During 1975–80, nearly all city governments studied showed a change in their pay relationships to private industry for clerical or skilled maintenance workers, or both. Over the period, a 4-percent average pay advantage for clerical workers in city governments over their private industry counterparts slipped to a 2-percent disadvantage; and for skilled maintenance workers, an average 7-percent advantage turned into a 3-percent disadvantage. Whereas 13 city governments paid clerical employees at least 3 percent more than private industry in 1975, only eight did so in 1980. For skilled maintenance workers, the number of city governments providing pay advantages over the private sector remained at nine, but they were not necessarily the same governments in both years; the size of the advantages dropped sharply over the period—by 8 percent or more—in each of the seven city governments maintaining advantages between 1975 and 1980. (See table 1.)

Felice Porter and Richard L. Keller are economists in the Division of Occupational Wage Structures, Bureau of Labor Statistics.

While falling behind private industry, the clerical staff in city governments showed an improved pay picture in relation to their Federal Government counterparts. Their average pay advantage grew from 8 percent in 1975 to 13 percent by 1980; 11 cities recorded at least a 3-percent increase in their pay relationships to the Federal sector, while only four showed a decline of similar magnitude. This contrasts with the experience of city maintenance workers who saw a 6-percent pay advantage over their Federal counterparts turn into a 3-percent disadvantage; maintenance workers in 19 cities recorded a deterioration in their pay position. Largely influencing these inverse trends are the varied wage movements of two different Federal pay systems—the nationwide General Schedule (GS) covering white-collar employees, and the Federal Wage System (FWS) for blue-collar and service workers which is based on prevailing rates in selected local industries. The latter system showed a larger average increase (45 percent) than did the former (38 percent) during 1975–80.

1980 pay comparisons

Municipal governments. Three of the twenty-seven city governments studied during October 1979–September 1980 emerged as pay leaders among the five occupational groupings shown in table 2. Detroit led in three categories—clerical, public safety, and janitorial; Cleveland had the highest pay for skilled maintenance; and San Francisco, for sanitation workers. At the bottom of the array, New Orleans was lowest-paying for clerical and skilled maintenance workers; Baltimore, for public safety; Jacksonville, for sanitation; and San Antonio, for janitorial. However, it should be noted that rankings of individual cities commonly change from year to year, reflecting, in part, variation in the timing and duration of pay adjustments. For example, Philadelphia public safety workers received a 10.265-percent pay increase in fiscal 1979, but none in fiscal 1980. As a result, their relationship to public safety workers in the other cities went from a 4-percent advantage to a 6-percent disadvantage over the year and their ranking among cities dropped from 10th to 16/18th.

Although rankings of specific cities fluctuated over time, the highest-paying city governments were invariably in the North Central or West and the lowest-paying were in the South—a pattern also commonly found in BLS wage surveys of private industry. However, within broad regions pay relationships among city governments tended to vary considerably. This was especially evident in the North Central States, where, for example, the average pay spread for public safety workers was 58 percent between the highest-paying (Detroit) and lowest-paying (Indianapolis) cities studied.

It should be noted that intercity relationships reflect differences in several wage determinants, such as pay administration approaches and procedures, competitive

forces of local labor markets, needs and complexities of the cities, tax structures and financial resources, and the economic power of individual bargaining units. Moreover, within the same city these factors can produce relatively high pay for some groups but not for others. For example, Chicago ranked among the three highest-paying city governments studied for the skilled maintenance, sanitation, and janitorial groups; 6th for public safety; and 21st for clerical workers.

Municipal/private comparisons. Pay levels for the clerical and skilled maintenance groups tended to be lower in

Table 1. Municipal government salaries compared with those in private industry and the Federal Government, selected cities, fiscal 1975 and 1980

City	Clerical				Skilled maintenance			
	Municipal salaries as a percent of:				Municipal salaries as a percent of:			
	Private industry		Federal Government		Private industry		Federal Government	
	1975	1980	1975	1980	1975	1980	1975	1980
All-cities average ¹	104	98	108	113	107	97	106	97
Northeast								
Boston	106	94	104	100	94	83	84	76
New York	102	(²)	115	(²)	153	138	138	124
Philadelphia	127	116	128	138	95	82	97	88
Pittsburgh	105	105	113	114	109	93	113	96
South								
Atlanta	105	96	118	113	89	89	94	82
Baltimore	104	87	106	110	90	71	89	73
Dallas	(³)	99	(³)	106	(³)	93	(³)	88
Houston	105	96	103	127	99	89	100	100
Jacksonville	94	94	91	92	80	75	78	74
Memphis	100	94	99	103	124	103	124	103
New Orleans	89	74	85	78	73	71	70	64
San Antonio	(³)	93	(³)	83	(³)	85	(³)	71
Washington, D.C.	86	85	95	98	96	103	100	101
North Central								
Chicago	95	88	109	106	132	122	144	127
Cleveland	95	100	103	122	182	163	174	171
Columbus	125	112	120	122	101	87	95	85
Detroit	(³)	123	(³)	166	(³)	113	(³)	125
Indianapolis	86	99	81	102	66	63	66	69
Kansas City	91	83	94	98	77	69	78	70
Milwaukee	126	119	131	131	129	110	134	114
St. Louis	112	109	116	118	88	91	91	85
West								
Denver	99	94	99	108	110	99	99	96
Los Angeles	116	103	124	124	138	125	143	118
Phoenix	95	(⁴)	100	121	97	(⁴)	93	99
San Diego	106	98	108	107	99	94	103	96
San Francisco	113	100	128	129	141	105	145	109
Seattle	109	120	121	139	96	96	100	99

¹ An unweighted average of pay relatives for cities published for both 1974-75 and 1979-80. This included 24 observations for the municipal/Federal comparison of maintenance workers; 23 observations each for the municipal/Federal comparison of clericals and municipal/private industry comparison of maintenance workers; and 22 observations for the municipal/private industry comparison of clerical workers.

² Municipal government data were not comparable to BLS definitions.

³ Municipal Government Wage Survey was not conducted.

⁴ Area Wage Survey was not conducted.

NOTE: Wherever possible, the municipal government to private industry comparisons relate to survey reference months October 1979 through September 1980 (the Federal government's fiscal year 1980), however, for three cities—Chicago, Houston, and Milwaukee 1979 relationships (June for Chicago, September for Houston, and July for Milwaukee) were used because the information necessary to adjust the private industry pay levels to the municipal government survey reference months was not available at the time this article was completed. See "NOTE" to table 2 for more information on the method used for such adjustments. No adjustments were made to compensate for differences in standard workweeks among sectors. Pay relatives of individual occupations making up the two broad occupational groups are available upon request.

city governments than in private industry. As shown in table 1, city government salaries for clerical workers were at least 3 percent below the private industry average for 12 areas, within 3 percent for 5 areas, and at least 3 percent above for 8 areas. For skilled maintenance workers, the corresponding pay relationships favored private industry in 17 comparisons and city governments in nine comparisons.

For specific occupations, city government to private industry pay relationships often varied widely within the same locality. For example, St. Louis' clerical group was paid 9 percent above comparable workers in private industry, but differences for individual occupations ranged from an 8-percent disadvantage for the city's ex-

perienced key entry (keypunch) operators to a 31-percent advantage for lower-level accounting clerks. Similarly, Washington's maintenance electricians were paid 10 percent less than workers in the private sector but its maintenance painters enjoyed a 25-percent edge over their private sector counterparts. In part, such disparate relationships reflect differences in occupational pay structures between private industry establishments and city governments. For example, the average pay advantage held by electricians over painters in Washington, D.C. private firms employing both was 14 percent; the corresponding wage spread in city government was 2 percent. Survey averages within the private sector highlight an even bigger difference: Maintenance electricians, primarily found in manufacturing industries, averaged 41 percent more than painters, who were employed chiefly in relatively low-paying nonmanufacturing firms in the Washington area.⁴

Municipal/Federal comparisons. Although generally below private industry, city government pay levels for clerical workers typically were above Federal Government scales. As a group, municipal clerical employees in 19 of 26 cities permitting comparison averaged at least 3 percent more than their Federal counterparts (the spread was 20 percent or more in 10 cities); in contrast, a Federal pay edge of at least 3 percent was reported in three southern cities—Jacksonville, New Orleans, and San Antonio. (See table 1.)

As was found for private industry comparisons, municipal government to Federal pay relationships varied widely among the different clerical occupations within the same locality; the spread between the most and the least favorable of these occupational pay relationships commonly exceeded 25 percent.

Similarly, broad differences for individual clerical occupations also existed among localities. For example, Detroit paid 80 percent above the average Federal salary for routine copy typists and Seattle paid 46 percent above, while San Antonio and Kansas City paid 10 and 11 percent below. Such diverse relationships reflect several factors, including differences in salary levels and salary plans among municipal governments, as well as how their workers are distributed among rate range steps that are prevalent in clerical salary plans.

Unlike their clerical coworkers, skilled maintenance employees of city governments typically were at a pay disadvantage to their Federal counterparts. For a composite of three maintenance trades (carpenters, electricians, and painters), 15 city governments paid 4 to 36 percent below Federal Wage System averages reported for installations in or near the cities. However, eight others were above Federal levels, by 3 to 71 percent. Their pay advantages primarily reflected the practice within some city governments of setting pay for mainte-

Table 2. Comparisons of municipal government pay levels in 27 cities, five occupational groups, October 1979-September 1980

[27 city average = 100]

City	Clerical	Skilled maintenance	Public safety	Sanitation	Janitorial
Northeast:					
Boston	91	76	103	...	95
New York ⁽¹⁾	(¹)	126	108	115	99
Philadelphia	115	82	94	92	110
Pittsburgh	101	99	94	128	96
South:					
Atlanta	98	86	85	85	74
Baltimore	93	69	81	85	98
Dallas	92	85	102	76	79
Houston	107	98	113	104	89
Jacksonville	82	76	91	70	77
Memphis	94	102	87	72	89
New Orleans	69	60	82
San Antonio	77	63	90	82	73
Washington, D.C.	91	107	110	122	105
North Central:					
Chicago	90	132	112	139	123
Cleveland	104	184	95	95	101
Columbus	105	85	93	102	112
Detroit	144	138	133	116	151
Indianapolis	87	68	84	80	95
Kansas City	83	73	94	83	82
Milwaukee	112	121	101	108	125
St. Louis	98	86	86	92	89
West:					
Denver	96	98	106	118	102
Los Angeles	114	130	129	115	103
Phoenix	106	98	101	97	107
San Diego	99	93	101	101	98
San Francisco	114	127	113	153	112
Seattle	123	110	120	...	119

¹ Not comparable with BLS definitions.

Note: Average pay is expressed as percents of averages for 27 municipal governments combined. The two sets of annual surveys conducted between September 1978 and October 1980 provide benchmarks which may be adjusted to correspond with the survey reference months of municipal governments studied. This involves calculating a percentage wage change for the cities between mid-1979 and mid-1980. Average pay was assumed to change uniformly each month over the total period studied. For a detailed description of this method, see *Area Wage Surveys, Metropolitan Areas, United States and Regional Summaries, 1977*, Bulletin 1950-77 (Bureau of Labor Statistics, 1980).

Also removed were the effects of intercity differences in employment composition within the multijob groups, and the effect of some individual job averages being unavailable for one or more of the cities. Relative pay levels for the clerical group were based on weekly pay, public safety on monthly pay, and skilled maintenance, sanitation, and janitorial on hourly pay. However, no adjustments were made for differences in standard workweeks when calculating the weekly and monthly pay relatives for the clerical and public safety groups. If such differences had been taken into account, a number of the pay relatives would have changed somewhat. For example, pay relatives in Boston would have been 100 for clerical and 113 for public safety employees.

Dashes indicate function is not performed by municipal government or wage data are not convertible to an hourly basis.

nance crafts in relation to local construction rates—typically among the highest blue-collar rates in an area.⁵ Indications are that these ties have loosened, sharply dropping advantages for municipal maintenance workers in these cities. (See table 1.)

Supplementary benefits

Although the pay position of city government workers has slipped in recent years, their benefit packages still compare favorably with those of other workers. A brief comparison of some of the major benefit areas follows.⁶

Paid holiday provisions in large city governments were somewhat more liberal than in the private or Federal Government sectors. During 1979–80, an average of 11 holidays a year was paid nonuniformed workers in the 27 city governments studied, compared with 9.5 days in the local private sector and 9 days throughout the Federal Government. Eighteen of twenty-seven city governments provided at least one more paid holiday than the corresponding private industry average, and 21 city governments exceeded the Federal Government provision. With the exception of Chicago, holiday provisions in city governments studied were the same for white-collar as for trades/labor employees (blue-collar and service workers). (See table 3.)

As indicated in the table, holiday provisions varied widely among the 27 city governments, from 8 days in Dallas to 14.5 days in Detroit. Southern cities, typically the lowest-paying, had fewer holidays than the all-city government average; however, their holiday provisions compared favorably with private industry in that region. Elsewhere, no consistent pattern linking pay levels and holiday provisions was evident.

Paid vacation provisions were similar for workers in city governments and the private sector; both were somewhat less liberal than Federal Government vacation plans. Table 3 shows that typical vacation provisions in city governments were 2 weeks after 1 year of service; 3 weeks after 5 or 10 years; and 4 weeks after 15 years. The more liberal Federal plan, as reflected in the Washington, D.C. figures, calls for 4 weeks of paid vacation after 3 years, and 5 weeks after 15 years.

City governments varied widely in terms of amount of vacation offered and service requirements. After 15 years of service, for example, three cities studied—Columbus, New York, and Washington—provided at least 5 weeks of vacation; eight other cities provided only 3 weeks after 15 years, all except one (San Antonio) granting a 4th week or more by the workers' 25th year of service. No direct correlation was found between city pay levels and vacation provisions or between city holiday and vacation provisions.

Table 3. Paid holiday and vacation provisions of nonuniformed workers in 27 city governments, fiscal 1980

City	Annual paid holidays	Annual days of paid vacation after specified years of service					
		1 year	5 years	10 years	15 years	20 years	25 years ¹
All-city average ²	10.9	11.2	13.0	16.3	19.1	21.2	22.3
Northeast							
Boston	13	10	15	20	20	25	25
New York	11	15	20	25	27	27	27
Philadelphia	14	10	10	15	20	20	20
Pittsburgh	13	10	15	15	20	25	25
South							
Atlanta	9	10	10	10	15	15	20
Baltimore	10	12	12	15	21	24	24
Dallas	8	10	10	15	15	20	20
Houston	10.5	10	10	15	20	22	22
Jacksonville	10						
Memphis	10	10	10	15	20	22	25
New Orleans	10	13	21	21	21	21	21
San Antonio	10	13	13	13	15	15	15
Washington, D.C.	10	13	20	20	26	26	26
North Central							
Chicago	12.3	10	10	15	20	20	20
Cleveland	11	10	10	15	20	20	25
Columbus	9	16	16	23	26	28	30
Detroit	14.5	10	10	17	20	20	20
Indianapolis	12	10	10	15	20	20	20
Kansas City	9	10	10	15	15	20	20
Milwaukee	10	10	10	15	15	20	25
St. Louis	14	10	15	15	20	25	25
West							
Denver	9	15	15	18	18	18	18
Los Angeles	11.5	10	15	15	15	20	20
Phoenix	11.5	12	12	15	15	18	21
San Diego	9	10	10	15	15	20	20
San Francisco	12	10	15	15	20	20	20
Seattle	11	12	15	16	18	20	25

¹ Provisions were the same or virtually the same after longer periods of service.

² An unweighted average of the city data shown.

³ Chicago was the only city studied where paid holiday provisions varied substantially between white collar and trades/labor employees; the former group received 12 days and the latter group, 7 days a year.

NOTE: Personal leave, sick leave, and other types of paid leave arrangements (for example, funeral leave) were not included in the data shown here. Dashes indicate that paid vacation provisions for Jacksonville were not separable from sick leave.

Health, insurance, and retirement coverage is available to virtually all employees in large labor markets. However, the provisions of these plans vary greatly. To cite examples, life and health coverage are usually provided to city government and private industry workers without cost to them; this contrasts with Federal workers who contribute 25 to 50 percent of the total cost of their plans. In the retirement benefit area, monthly annuity benefits under the most generous city government pension plans were more than double those paid under the least generous plan. Compared with municipal plans studied, the Federal Government's normal retirement benefits program falls slightly below average; it yields 46 percent of pension base earnings after 25 years of service and age 60, and 56 percent after 30 years and age 55, while the municipal plans studied commonly yield 50 percent for 25 years and 60 percent following 30 years of service (with comparable ages). Many additional factors must be considered when fully evaluating

private and public benefit plans, including dollar amounts and types of benefits covered by health and in-

surance plans, as well as pension base formulas, benefit options, and cost-of-living adjustments to annuities. □

-----FOOTNOTES-----

¹ However, in 1974-75, data were available for only 24 cities; those excluded were Dallas, Detroit, and San Antonio.

² See also Stephen H. Perloff, "Comparing municipal salaries with industry and Federal pay," *Monthly Labor Review*, October 1971, pp. 46-50; and Charles Field V and Richard L. Keller, "How salaries of large cities compare with industry and Federal pay," *Monthly Labor Review*, November 1976, pp. 23-28. Twenty-seven cities fell within scope of these surveys (including Atlanta with slightly less than 500,000 inhabitants). Although cities of 500,000 inhabitants or more are only 1 in 700 municipalities, they accounted for 43 percent of the \$31.7 billion spent on salaries and wages by the nearly 19,000 city governments in fiscal 1979. See *City Government Finances in 1978-79* Series GF 79, No. 4 (Washington, Bureau of the Census, 1980).

³ Private industry data in this article are from the BLS annual wage survey program conducted in 70 metropolitan areas. In each area, data are obtained from representative establishments within six broad industry divisions: manufacturing; transportation, communications, and other public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and selected services. Major groups excluded from these studies are government operations and the construction and mining industries. Small establishments, defined as those with fewer than 100 workers in the 13 largest metropolitan areas and those with fewer than 50 workers elsewhere, are excluded from area wage surveys. Data for Federal workers refer to pay under the nationwide General Schedule (GS) for white-collar employees and the localized Federal Wage System (FWS) for blue-collar employees.

Nine clerical and three maintenance occupations, each equating to a single grade in either the GS or FWS, made up the two broad occupational groups compared within the labor markets studied. As a criterion for inclusion in the broad groups, the following jobs produced

publishable data for at least half of the city governments studied: *Clerical*—accounting clerks A and B, key entry operators A and B, messengers, general and senior stenographers, and typists A and B; *Maintenance*—carpenters, electricians, and painters. Three additional occupational groups were added in the analysis of pay levels among city governments: *Janitorial*—janitors, porters, and cleaners; *Public Safety*—firefighters, police officers, and police sergeants; and *Sanitation*—refuse collectors and refuse truckdrivers.

⁴ See *Area Wage Survey: Washington, D.C.-Md.-Va. Area, March 1980*, Bulletin 3000-4 (Bureau of Labor Statistics, 1980), pp. 11 and 13; and *Municipal Government Wage Surveys: Washington, D.C., October 1979*, Regional Report 45 (Bureau of Labor Statistics, 1980), p. 9.

⁵ An examination of the Bureau's quarterly reports on basic union rates for building trades workers in Municipal Government Wage Survey cities verifies this analysis. For each of the eight cities tying pay to prevailing construction rates, the differential between maintenance workers in city governments and similar craftworkers in unionized building trades was relatively small, topping out at about 25 percent; for the other 19 cities, the typical spread was at least 50 percent, with only one city—Washington—as low as 25 percent. Comparisons were based on union wage rates in effect within 2 months of the reference date for each 1979-80 city government survey.

⁶ For detailed accounts on employee benefits and other employee practices, see individual reports for the municipal governments studied; copies are available from BLS regional offices. These reports provide information on unionization; pay plans and salary structures; frequency of wage payment; scheduled workweeks; premium pay practices for overtime and shift differentials; and paid leave and health insurance, and retirement plans.