Beaches, Sunshine and Public Sector Pay

I'm in Miami for the Urban Economics Association sessions that are organised as part of the annual NARSC meetings. Interesting session first thing this morning on Cities and the Public Sector.

Given the location (we're about a mile from Miami Beach) it seemed appropriate that the session started with Jan Brueckner's great paper on beaches sunshine and public sector pay. Jan's research looks at whether or not public sector workers are able to get higher pay (relative to private sector workers) in high amenity cities. Jan's research shows that this is indeed the case, with the effect being particularly strong for unionized public sector workers. Jan's NBER paper gives more details.

In the same session, Giulia Faggio presented some of our work on the impact of public sector employment on private sector employment. Those results are still a little preliminary for a proper public airing. But one thing that did strike me is the fact that in the US the major controversy appears to be around pay, while in the UK the current concern is much more about employment. More to come on our substantive findings for the UK in a few weeks time.

[PS: For those of you based in London, Jan Brueckner will be presenting his work on Sub-Prime Mortgages and the Housing Bubble at the LSE on Monday 5th December.]