



After Paycheck Taxes

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I am a public employee. And what is worse, I work at a university. Mine is a public university sucking the lifeblood out of middle class Americans who, if they did not have to pay my salary, would otherwise have a much reduced tax burden. The facts are really much different, but let's proceed with this line of thinking.

Everyone pays bills that support their lifestyle. People do not like to have garbage lying around the house, so they pay a waste disposal company to pick it up. Put the garbage at the end of the drive way and when you get home from work it's gone. Simple, but it does come with a cost.

Then folks want to be warm in the winter, so they have natural gas piped into their home to run the furnace. Gas is not free.

Of course you need electricity to run the furnace and other household appliances.

It is good to bathe and brush your teeth on a regular basis, so you need water.

Knowing that disaster could strike your home at any moment means insurance is

necessary. It is also required to get a mortgage.

If you want that mortgage, you will need to go to a bank or a financial institution of some kind.

To get to the bank you need a car and to get that car you need another loan, which means another obligation to the bank.

When you have a car, you need insurance. It's not an option.

To run the car, you need gas.

And with the car you can now go to the grocery store.

With the snacks you bought at the grocery store, you can watch the ball game on TV. Of course many, especially those not near cities, will need cable.

When something exciting happens in the game, you want to share that with a friend, so you call them on your cell phone.

Other than the cell phone and cable, there no option as to whether you need to purchase these. Like taxes, that support a plethora of services like education, public safety, meals for the needy and an infinitesimally small portion of my salary, people have no say so in the matter. Fail to pay the trash company, live with garbage, stiff the bank, and lose your house. You get the idea.

But in some fallacious leap of logic, folks resent my average salary and ignore the other 'taxes' in their lives. They see a direct connection between their paycheck and mine. No connection is made between the electric bill and the salaries of the electric company executives.

The PR spin of companies negotiating with unions is that higher salaries means increased costs for consumers which incenses the public to no end. That argument is only applied to front line workers, those who do the direct or hands on work, not so much for management. Public response is even worse when a public employee wants a 3% raise, or even a cost of living increase. Surely this will raise taxes.

It is hard for me to understand peoples disconnect between the salaries of top managers, and cost they pay for goods and services. Top executives are given a free pass, while public employees suffer the resentment of taxpayers who believe

we work directly for them.

An opinion editorial in the Wall Street Journal today (May 31, 2017) complained of the high cost of a pension for Mr. Steve Cook working as an educator on loan to the Michigan Education Association . According to the authors, Mr. Cook is paid \$200,000 annually, will get \$105,000 a year pension. Being tax payer supported, it is outrageous. Let's broaden our thinking.

Forbes Magazine looked at severance pay for executives asked to leave their jobs.

Executives at Hewlett-Packard, Bank of New York Mellon, Burger King and Yahoo were asked to step down this year, they walked away with severance packages that cost shareholders a combined \$60 million. For instance, when Léo Apotheker stepped down as CEO at Hewlett-Packard, he walked away with \$13.2 million in cash and stock severance.

Aside from the obvious gap in paychecks, the difference here that Mr. Cook leaves his job in good standing, and the CEO's mentioned above, are fired.

Is there no complaint because its shareholders and not taxpayers foot that bill? Really? And the cost of a computer, a hamburger and a bank loan are not affected in anyway by these golden parachutes? And my 1.5% increase is too burdensome?

But let's return to the necessities of life and those CEO's who manage them. Below are the salaries of CEO's of companies from whom many of us receive services.

- Waste Management – \$17,222,664
- American Water Works – \$4,096,532
- National Fuel Gas – \$5,649,998
- PNC (bank) – 12.1 million
- Erie Insurance – 2.16 million
- Exxon – \$25,144,225
- Eversource Energy (electric) – 9,684,836
- Kroger's (grocery) – 11.2 million
- Comcast (cable) – \$27,520,744

- Verizon – 18.2 million

Somehow people accept these high wages (and generous retirement benefits) and see no relationship with what they pay for the services they provide. Yet public employees hanging out in the middle class, are chastised for an entitlement mentality. The case needs made that consumers pay the bills of corporations. That money does not come directly out of the public's paycheck, these costs are after paycheck taxes.

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