



Federal Employees Rake in the Dough Over Private-Sector Jobs

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Looking to get paid more? Start looking into a job with the federal government -- according to a [study from the Cato Institute](#), people who work for the federal government make over three times as much as private-sector workers and have been enjoying faster compensation growth than people who work for private companies.

The study found federal workers made 78 percent more than private-sector workers in 2014. Almost half of those employed by the big government (43 percent) made more money than those working for state or local governments, too.

The Cato Institute study found the average wages for federal employees to be around \$84,000, but when benefits like health care and pension packets were added to the mix, the average salary jumped to around \$120,000, a number 78 percent higher than the average total private-sector wages of \$67,000.

Wages and benefits for executive branch civilian workers are expected to cost more than \$260 in 2015 alone.

Federal government workers have some of the widest access to health insurance plans and receive pension plans with inflation protection and a retirement plan with a government match.

"The primary advantages of working for the federal government are generous benefits, solid pay, and relative job security, a combination that is challenging to find in the private sector, even in the best of times," said Lily Garcia, a human resources specialist who contributes to the Washington Post.

Those combined wages make the federal government the fourth highest-paying industry in the U.S., above finance and insurance jobs, the information industry and professional and scientific industries.

“Some people argue that the government has a unique high-end workforce that deserves to be paid handsomely,” wrote Chris Edwards, director of tax policy studies at the Cato Institute. “But you can flip through the federal budget and find mundane bureaus where workers are paid highly for normal bureaucratic jobs.”

Federal government jobs have also jumped in compensation much more rapidly than other sectors -- the Cato study notes in 1990, federal compensation was 39 percent higher than the private sector, but that number climbed to 50 percent just 10 years later and then grew nearly 30 percent 15 years later.

“The federal government has become an elite island of secure and high-paid employment, separated from the ocean of average Americans competing in the economy,” wrote Chris Edwards, director of tax policy studies at the Cato Institute.

Edwards says he believes Congress should continue on the path of reducing costs by overhauling the federal benefits package to reduce costs, ending defined-benefit pension plans like most private-sector employers have already done.

“Federal pay should be reasonable, and we need competent people in federal jobs, assuming that the jobs are useful ones,” said Edwards. “But the government should not be one of the highest-paid industries in the nation. Indeed, an advantage of reducing federal pay would be to encourage greater turnover in the static federal workforce. That would help more young people enter government and bring in fresh ideas.

“To deal with today's large budget deficits, policymakers should restrain spending in every federal department and activity,” he continued. “They should pursue further reforms to federal pay packages and better align wages and benefits with private-sector practices.”