

Federal vs. private pay: The latest take on who makes more

BLS study finds feds make less, disputing some other reports

- By [Kathleen Hickey](#)
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A new government study shows that federal workers make an average of 2.1 percent less than their counterparts in the private sector, with some areas of the country showing much larger gaps, [reports the Washington Post](#).

Federal salaries in the Washington-Baltimore area, for example, were 38 percent less than those in the private sector, according to the Post.

These numbers, compiled by the Bureau of Labor Statistics, are likely to be hotly contested. [USA Today](#) issued a report in March that said the typical federal worker is paid 20 percent more than a private-sector employee in the same occupation. Salary figures listed by USA Today did not include benefits such as health insurance and pensions. The CATO Institute, a libertarian think tank, arrived at a similar conclusion, as did The Heritage Foundation, another conservative association, which also issued a report stating that federal employees earn 22 percent more in hourly wages than the private sector, [reported FCW](#) on July 26. Republicans had cited these earlier reports as examples of overspending in the government.

BLS released the latest numbers in a report to the Federal Salary Council, a presidentially-appointed panel that recommends pay for federal workers on the General Schedule. Based on the report, the council will likely recommend pay raises for federal employees for 2012 to President Barack Obama, including salary adjustments based on relative private-sector salaries in different metropolitan areas. Congress has not approved a pay raise for 2011.

BLS' report also found different pay disparities based on an employees' level, with higher-paid executives experiencing a larger wage gap than lower-paid employees, who may earn more than those in the private sector, the Post states.

Proponents of BLS' report say other reports that arrive at an opposite conclusion regarding wage gaps, such as the one issued by USA Today, are misleading and fail to take into account factors that would create a more equivalent comparison. For example, private-sector salaries often include bonuses and incentive pay in some industries, which skew salaries up, said Allan G. Hearne, pay expert with the Office of Personnel Management, noted the Post. In addition, federal workers are often more educated and have more experience than those in similar jobs in the private sector, said Sen. Ted Kaufman, [reported FCW](#) on Sept. 24.

BLS surveyed more than 230 jobs in 31 regions outside the government but did not include the unemployed in the report, said the Post. Current unemployment rates stand at a little less than 10 percent and do not include those who are underemployed or who have given up looking for a job.

Other factors could also play a part in the wage-gap findings. Last week the government released its quarterly gross domestic product numbers, but economists say the inflation-adjusted 2 percent increase is not enough to decrease unemployment levels, according to an Oct. 30 [Wall Street Journal](#) article.

About the Author

Kathleen Hickey is a freelance writer for the 1105 Government Information Group.



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