

It's All Politics

House GOP, Obama Official Spar Over Federal Worker Pay

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The pay and benefits of federal workers came under attack on Capitol Hill Wednesday as House Republicans claimed during a hearing titled "Are Federal Workers Underpaid?" that federal workers were far too well paid compared with their private sector workers.

But those assertions were contradicted by a federal official who said such claims were inaccurate because they were based on data not directly comparable. He also said it was wrong to denigrate federal workers.

In his [written opening statement](#) at a hearing of a House Oversight and Government Reform subcommittee, the panel's chairman, Rep. Dennis Ross, said:

According to the Office of Personnel Management the average salary for federal employees was \$74,311 in 2010. The average private sector worker earned \$50,462, according to an August 10, 2010 analysis conducted by the Cato Institute. The federal government also pays an average of 36 percent of employees' base pay health insurance and pension benefits, in addition to generous paid leave. Taken together, federal employees on average earned \$101,628 in total compensation in 2010, nearly four times more than the average private sector worker.

The Members of this Subcommittee recognize that our talented federal workforce performs critically essential missions throughout the government, on behalf of our nation. We appreciate their service. Federal employees should be compensated fairly. Yet, current federal salaries and benefits are not in line with the marketplace when compared to private workforce compensation.

In a time when our economy is in a recession, the contrast between government and private sector pay is troubling. The federal government has no incentive or obligation to reduce salaries in order to be competitive to stay in business. It can simply borrow money or raise taxes.

With federal spending and unemployment at or near record highs, this hearing presents an opportunity for lawmakers of this committee to hear important testimony from our distinguished witnesses on how best to address the growing pay disparity between the federal civilian and private sector workforce.

Over the past decade, compensation of private sector employees has not kept pace with that of federal employees. Moreover, federal workers receive generous benefits – vacation, health insurance, pension plans, retirement savings, and disability pay. These benefits greatly exceed those that are normally provided to the private sector workforce.

Responding to such claims, John Berry, director of the Office of Personnel Management, said in [his prepared testimony](#):

We have been fortunate throughout our history to have talented and hardworking individuals willing to forgo more lucrative careers and step forward for public service. It is the mission of the Office of Personnel Management (OPM) to recruit, retain and honor that world-class workforce to serve the American people. In order to do this, we must provide pay and benefits on par with other large companies for whom we compete for talent. We cannot and should not be the employer of last resort.

Federal employees hold lives in their hands and oversee large sums of taxpayer money. We need talented and innovative people at the Department of Defense supporting our war fighters. We need great doctors, nurses, and scientists at our Veterans Hospitals and the National Institutes of Health doing life saving work. We need creative and tough men and women at the Departments of Justice and Homeland Security to protect us from another terrorist attack. These are highly skilled jobs and the people who fill them cost money...

President Obama has frozen annual pay adjustments for two years. Before that, the adjustments moved in virtual lock step with the private sector labor market, regardless of who controlled Congress or the White House.

However, such comparisons are complicated by the fact that Federal and private sector workers do very different types of work. Raw comparisons of average pay between Federal and private sector employees mask important differences in the skill levels, complexity of work, scope of responsibility, size of organization, location, experience level, and special requirements, as well as exposure to personal danger. For example, data from the Current Population Survey (CPS) shows that half of Federal workers work in the nine highest-paying occupations groups such as judges, engineers, scientists, and nuclear plant inspectors.

In comparison, less than a third of private sector workers worked in those same nine highest-paying groups. In contrast, a fifth of private sector workers work in the four lowest-paying occupation groups (excluding law enforcement, which does not have a good private sector counterpart), as cooks, janitors, service workers, and manufacturing workers. Fewer than one in thirteen Federal workers work in those four lowest-paying groups.

Even comparisons that purport to compare employees in the same occupations are misleading. For example, some claim that Federal attorneys make more than private sector attorneys.

In fact, while more than half of General Attorneys in the Federal Government earn less than \$90,000 in their first year of service, the median first year salary for comparable attorneys in the private sector is \$145,000.

The methodology is weak since jobs that have the same titles and some similar duties are not necessarily comparable. For example, one-third of Federally employed cooks work for the Department of Justice in prisons, where they also supervise inmates in a clearly dangerous environment. We must pay more to fill these critical jobs with qualified individuals.

The back and forth was very similar to what is being heard in several states, including Wisconsin, where Republican policymakers are attacking state and local government-worker pay and benefits as significantly more rich than those private sector workers receive.

Some critics have observed that one of the differences between the public and private sectors, and it's an important one, is that the work done by government workers can't be as easily outsourced in a global economy as that done by private workers.

That outsourcing, along with rising health care costs, have resulted in [stagnating take home wages](#) for millions of workers for many years.

According to these critics, the problem isn't so much that government worker pay and benefits have soared but that private sector pay has languished.

Erik Wasson of The Hill news organization [covered Wednesday's hearing](#).

Tags: [federal workers](#)