Royse City HERALD BANNER

# Federal employees behind in pay by 34 percent on average, salary council says

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Federal workers earn 34.07 percent on average less than private-sector employees doing comparable work, according to the government's official, although not universally accepted, tally of how salaries compare.

The figure was announced at Friday's annual meeting of the Federal Salary Council, a group of union representatives and outside experts on compensation that oversees the General Schedule, the pay system for white-collar workers below the senior ranks.

In the prior three years, the reported overall average "pay gap" was about the same — 35.37, 35.28 and 34.92 percent.

"Federal pay needs to be substantially increased," said National Treasury Employees Union president Tony Reardon, a member of the council. "When you look at the private sector, what kind of pay increases they have had, it dwarfs what federal employees have received. It's time for Congress to step up and pay federal employees what they deserve to be paid."

The "pay gap" figures are based on Labor Department surveys comparing salary data on 250 federal occupations at various levels of responsibility with corresponding rates in local labor markets. Other comparisons, using different data and different methods, have reached much different conclusions.

Reports from the conservative Heritage Foundation in 2010 and the American Enterprise Institute in 2011 found a pay advantage for federal workers of 22 and 14 percent, respectively, while the libertarian Cato Institute last year reported a 78 percent advantage.

The Congressional Budget Office concluded in 2012 that federal workers were ahead by 2 percent on average, with less educated ones further ahead and more educated ones behind the private sector. Those reports said that the value of employment-related benefits, which the Labor Department data do not account for, further favors federal employees.

The Government Accountability Office said in a 2012 report that no one approach to assessing pay is definitive.

The salary council's work is part of a process set by the 1990 law, under which federal employee raises are supposed to be on a form of autopilot — with across-the-board raises each year to generally keep up with private-sector wage growth plus an add-on that varies by locality. In practice, however, raises are set — or denied, as they were for 2011-2013 — through the annual congressional budget process.

Federal employees are in line for a raise averaging 1.6 percent in January, under a provision of that law allowing for a raise to be paid by default if no figure is enacted by the end of a year. Congress still could intervene and set a different amount, which if signed into law would override the default raise. However, Congress so far this year has been silent on a raise, as it was the prior three years when raises of 1, 1, and 1.3 percent took effect by default.

The pending 1.6 raise would be split: One percentage point would be paid across the board, and the funds for the other 0.6 percent would be parceled out in varying amounts, according to the indicated pay gaps by locality as measured by the Labor Department.

The largest raises, somewhat above 1.6 percent, would go to the San Francisco and Washington-Baltimore areas, while the smallest, somewhat below, would go to employees outside one of the city zones, a catchall locality called the "rest of the U.S."

"These 1 percent pay raises just aren't doing it. The economy is doing well, and federal employees continue to suffer," said American Federation of Government Employees president J. David Cox Sr., also a council member.

"It's continuing to make it very difficult to operate the federal government," he added, noting testimony to the council Friday from federal executives representing widely scattered areas regarding difficulties agencies are having recruiting and retaining employees.

The raise formula formally applies only to General Schedule employees, but for years raises of blue-collar federal workers — who are under a separate locality-based pay system — have been set at the local General Schedule amount.

Senior executives and certain other employees who are paid under performance-based pay systems do not get automatic raises, but a general increase boosts the pay cap that applies to those positions. A separate cap limiting pay of some employees in the top ranks of the General Schedule also would increase. Political appointees and members of Congress would get no raise, under restrictions that have been written into spending bills pending in Congress.

The salary council makes its recommendations to a higher-level group called the President's Pay Agent, and raises are finalized by a late-year executive order.

Most retired federal employees, meanwhile, will get a cost-of-living adjustment of 0.3 percent in January. The pay raise for active employees and the COLA for retirees are set through different processes — the latter is automatic, based on an inflation index — and the two don't necessarily track each other.