

# DAILY TORCH

## Maryland is the wealthiest state, our civil service explains why

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Residents of Maryland were likely filled with pride when the USA Today state wealth index listed Maryland as the wealthiest state in the country. With the second lowest poverty rate and the highest median household income, one might assume Maryland has an engaged and efficient workforce. Unfortunately, this workforce may not be functioning as effectively as it seems, because Maryland also surpasses the national average in federal government workers.

Nationally about 15 percent of workers are employed by some level of government, according to the Bureau of Labor Statistics. In Maryland, that number is 18 percent.

While many states across the wealth index surpass the national average for government employees, most are employed by state and local government. Maryland and Virginia top the charts for federal government employees, likely due to their proximity to D.C.

Only about 2 percent of workers are employed by the *federal* government, either in D.C. or satellite offices across the country.

In Maryland, more than 13 percent of workers are employed by the federal government. In Virginia, which ranks ninth on the list, 11 percent of workers are employed by the federal government. Hawaii, which ranks third on the list, also has 13 percent of workers being employed by the federal government.

It should be no surprise these states with the highest number of federal government employees are also the highest average wage earners in the country.

A Cato Institute report from October 2015 found, “Federal civilian workers had an average wage of \$84,153 in 2014, compared to an average in the private sector of \$56,350. The federal advantage in overall compensation (wages plus benefits) is even greater. Federal compensation averaged \$119,934 in 2014, which was 78 percent higher than the private-sector average of \$67,246.”

In 2016 former President Barack Obama authorized one of the largest pay raises in U.S. history. In a letter to the House and Senate, Obama called for a “1.0 percent across the board base pay increase” for federal employees.

Surely with this increased pay came increased accountability, right? Wrong.

According to the Office of Personnel Management's FedScope data, from 2005 to 2017 the public sector maintained a layoffs and firings rate of 3.37 percent. During the same time period, the private sector held a far higher rate of 17.27 percent, according to the Bureau of Labor Statistics JOLTs survey. Even more shocking, the termination *for cause* rate in the public sector was a mere 0.53 percent of all terminations.

Even when the Internal Revenue Service discriminated against conservative organizations under the Obama Administration the firing for cause rate within the agency failed to grow at all as wages increased.

There would be no issue with Maryland having the wealthiest residents if it appeared their pay equaled their work, but for federal government employees it often does not.

Meanwhile in Maryland's private sector, the Maryland Department of Labor, Licensing, and Regulation reports, annual earnings range from \$31,148 in the lowest income county to \$75,140 in the highest income county. Much less than the average annual federal employee pay.

The overblown income of federal workers have inflated the average wage in Maryland, while public sector employees can probably agree that the state is the wealthiest in the country, private sector employees would have trouble believing the fact. What the USA today state wealth index *really* reveals, is that our federal labor force remains overpaid yet unaccountable.