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## Obama's Call for Pay Freeze Stirs Up Debate on Federal Workers

By: [Murrey Jacobson](#)



President Obama's call to [freeze federal workers' pay](#) for two years marks the biggest moment yet in an escalating debate over whether government employees are overpaid and often protected from the worst of economic conditions -- or whether they actually are underpaid and make for a good scapegoat in the political wars over deficits and spending.

The battle has been simmering on a low boil since the summer, but the effort to limit federal pay picked up new momentum after midterm elections swept Republicans into control of the House. House Speaker-designate John Boehner of Ohio has criticized what he saw as the "fattened salaries" of federal bureaucrats and earlier this month reiterated a Republican call for a freeze as part of its ["Pledge to America."](#)

Earlier this year, Democrats were opposed to such a freeze, proposing instead a small pay hike of 1.4 percent for more than 2 million civilian federal employees. But the president, who had already ordered a freeze on bonuses for 2,900 political appointees earlier this year, said Monday that the scope of the deficit requires "broad sacrifice. ... And that sacrifice must be shared by the employees of the federal government."

Administration officials denied Monday that political timing was connected to the announcement, saying the White House faced a deadline for making its request to Congress before setting budgets.

But coming just one day before President Obama meets with Republican leaders at the White House, and only two days before a pivotal meeting and vote from his own bipartisan presidential commission on deficits, there was no lack of reaction from all corners of Washington.

Labor and liberal economists pounded away, saying it would not help the government recruit top talent from fields like science and research. They also emphasized that a savings of \$28 billion over five years amounted to small potatoes when confronted with a deficit topping \$1 trillion this year and next.

Lawrence Mishel of the liberal Economic Policy Institute, called the idea "chump change ... and will only enlarge the degree to which federal pay lags that of the private sector."

"This is another example of the administration's tendency to bargain with itself rather than Republicans," [Mishel wrote](#), "and in the process reinforces conservative myths, in this case the myth that federal workers are overpaid."

On the American Prospect's blog ["Tapped" Tim Fernholz said](#) Mr. Obama missed an opportunity.

"Instead of offering an alternate vision of how to balance the budget -- not giving the wealthy tax cuts, cutting subsidies and tax expenditures, instituting a carbon tax," Fernholz writes, "the president is just reinforcing misguided, anti-government ideas that will, over a decade, reduce the budget deficit by a whopping .1 percent."

For their part, conservatives said they were glad the president embraced the idea, but said he needed to go much further.

Boehner contended a federal hiring freeze is needed as well.

"Without a hiring freeze," [Boehner said in a statement](#), "a pay freeze won't do much to rein in a federal bureaucracy that added hundreds of thousands of employees to its payroll."

Chris Edwards of the libertarian Cato Institute, who first raised the idea of a freeze as far back as 2006, [wrote on his blog](#) that the president's proposal was a "good start at getting excessive government pay under control," but argued that the "next step to reform federal worker compensation should be to pare back overly generous benefit packages."

Of course, the fundamental question comes down to whether government workers are better paid than their private sector counterparts.

Edwards and others have cited data from the Bureau of Economic Analysis that they say documents that case. USA Today [did its own analysis](#) earlier this year concluding that the compensation gap between federal and private workers (including benefits) rose by

almost 40 percent in the past decade. In its two stories on the subject, USA Today said there was a hike in the number of employees earning \$150,000 or more and that civil servants earned average pay and benefits of \$123,000 last year while private workers made \$61,000.

But labor officials say the data comparisons are not useful measures. For one thing, unions say there's a gap between higher-skill government jobs and lower-skill private sector jobs that are not reflected in pay comparisons.

Moreover, other data from the Bureau of Labor Statistics cited by the Federal Salary Council, a White House-appointed panel tasked with recommending pay for federal workers, found that federal salaries fell slightly behind private sector counterparts last year, [according to the Washington Post](#). And in some regions, like the Washington-Baltimore area, the gap was as high as 31 percent.

The proposal must be approved by Congress before it can be enacted.

Beyond the fiscal questions, there was also plenty of talk online about whether the move would help Obama politically by attracting moderates and independents, or anger his liberal base instead.

But at least one writer thought the symbolic gesture wouldn't make a huge difference in the end - fiscally or politically.

"Ultimately, this is a small proposal that will draw small criticism," the Atlantic's Derek Thompson [wrote on his blog](#). "A federal freeze won't save mich money, but I can't imagine a 1.4% salary adjustment will discourage scores of high-level applicants who probably aren't looking to get into government for the plush salaries anyway."