



Federal workers paid too well to complain, Cato study finds

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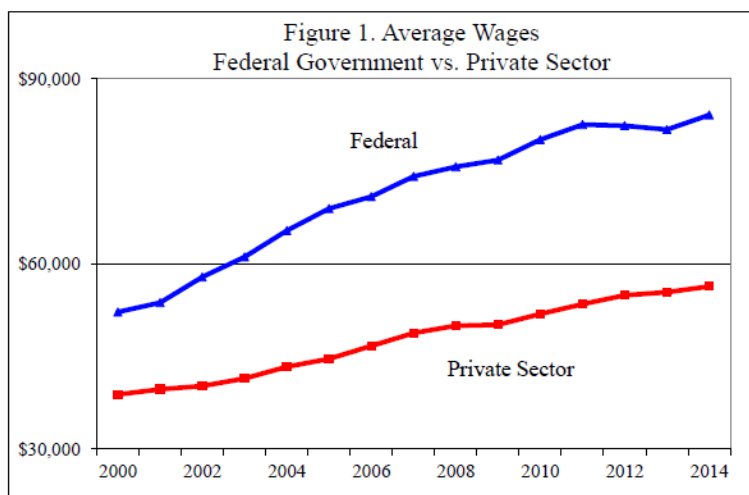
The debate over federal employees' salaries is heating up again with a new report from the Cato Institute.

The libertarian think tank's new study claims federal employees earn on average 78 percent more than their private sector counterparts.

“Since the 1990s, federal workers have enjoyed faster compensation growth than private-sector workers,” the report said. “Despite the escalation of federal compensation over the years, labor unions still complain that federal workers are underpaid.”

The study acknowledges that federal workers experienced a three-year pay freeze that ended when Congress passed a 1 percent pay raise for federal employees in January 2014.

Cato found that in 2014, federal civilian employees earned an average wage of \$84,153, while their private sector counterparts earned an average of \$56,350. The study used data from the Bureau of Economic Analysis covering 17 public and private sector industries.



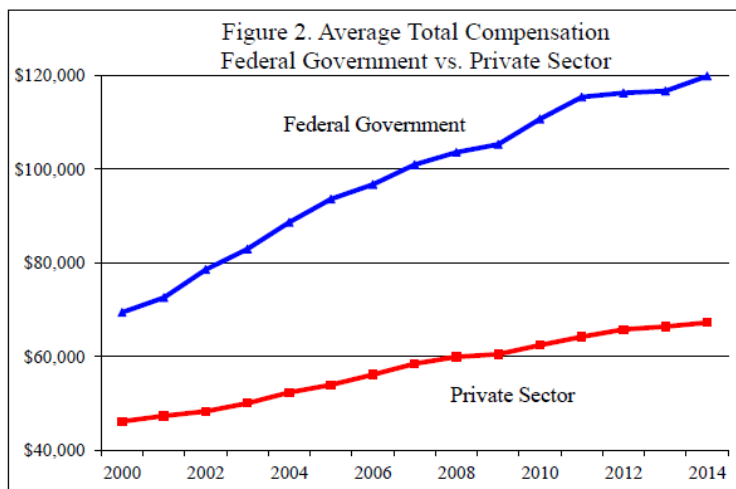
When benefits such as health care and pensions are included, Cato said the total federal compensation averaged \$119,934, or 78 percent more than the private sector average of \$67,246.

The report said federal employees are the fourth highest compensated workers in the country behind management consultant companies, utilities and mining firms.

“It is true that the federal workforce has a heavy contingent of skilled professionals, such as lawyers, but that has always been the case. So it does not seem to explain why federal compensation has grown faster than private-sector compensation in recent decades,” the report said.

Compared to other government workers, Cato said that federal workers earn 43 percent more than those at the state or local level.

“In the past, there was a view that it was a privilege for citizens to serve the public in a federal agency, and that federal pay should be fairly modest. Unfortunately, that sort of thinking has gone out the window as the federal compensation advantage has continued to increase,” the report said.



Cato recommends that the federal government continues to find additional cost savings by revisiting federal workers’ benefits and reducing the overall size of the federal workforce by trimming agency programs.