

Study: Government Workers Make 78 Percent More Than Private Sector

Average pay and benefits \$52,688 higher than non-gov't employees

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Employees for the federal government earn far more than their counterparts in the private sector, according to a new study by the Cato Institute.

Federal workers' pay and benefits were 78 percent higher than private employees, who earned an average of \$52,688 less than public sector workers last year.

The study found that federal government workers earned an average of \$84,153 in 2014, compared to the private sector's average of \$56,350. Cato based its findings on figures from the U.S. Bureau of Economic Analysis (BEA).

But when adding in benefits pay for federal workers, the difference becomes more dramatic. Federal employees made \$119,934 in total compensation last year, while private sector workers earned \$67,246, a difference of over \$52,000, or 78 percent.

“Since the 1990s, federal workers have enjoyed faster compensation growth than private-sector workers,” according to the [study](#), written by Chris Edwards, the director of tax policy studies at Cato. “In 2014 federal workers earned 78 percent more, on average, than private-sector workers. Federal workers earned 43 percent more, on average, than state and local government workers.

“The federal government has become an elite island of secure and high-paid employment, separated from the ocean of average Americans competing in the economy,” the Edwards wrote.

The report noted that 2.1 million people work for the federal government, costing over \$260 billion in wages and benefits this year.

Cato, a libertarian think tank, praised the partial pay freeze implemented between 2011 and 2013 and suggested that the government should reduce the size of its workforce and trim its generous benefits.

Cato said average federal wages “grew rapidly for a decade” before the pay freeze, but began increasing again in 2014.

“Federal pay should be reasonable, and we need competent people in federal jobs, assuming that the jobs are useful ones,” the study concluded. “But the government should not be one of the highest-paid industries in the nation.”

“Indeed, an advantage of reducing federal pay would be to encourage greater turnover in the static federal workforce,” the study said. “That would help more young people enter government and bring in fresh ideas.”