

President Obama announces two-year pay freeze for federal workers to save billions, cut into deficit

BY KENNETH R. BAZINET DAILY NEWS WASHINGTON BUREAU Monday, November 29th 2010, 1:16 PM

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Loeb/Getty President Barack Obama speaks about a proposal to freeze most government salaries for two years in a move to trim the deficit.

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WASHINGTON - Signaling a distinct shift toward austerity, President Obama announced a two-year pay freeze for federal workers Monday - saving up to \$5 billion in two years.

"The hard truth is getting this deficit under control is going to require some broad sacrifice, and that sacrifice must be shared by the employees of the federal government," Obama said.

"After all, small businesses and families are tightening their belts, the government should, too,"

The pay freeze applies to all civilian federal employees, including the Defense Department. It excludes men and women

serving in the military, White House aides said.

White House officials said the freeze would save \$28 billion over five years and more than \$60 billion over 10 years.

The money-saving maneuver comes a day before Obama meets with Democratic and Republican congressional leaders to address the agenda for Congress' short lame duck session.



"We now have a shared responsibility to deliver for the American people," Obama said of the GOP's takeover of the House and gains in the Senate.

The decision went down poorly with leaders of government employee unions. John Gage, president of the 600,000-member American Federation of Government Employees, called it "a slap at working people."

"Working people's wages are not the issue with this deficit or what is going on in our country," Gage said. "To symbolically hit at federal employees I think is just wrong."

Some anti-big government activists and Republicans have targeted federal employees in recent weeks, calling, in some cases, for outright pay cuts for public workers.

Obama froze his senior staff salaries when he first took office.

"The Obama proposal would apparently save \$28 billion over five years. Hopefully, that will be the first of many budget savings that the administration and Republicans in Congress can work on together in coming months," the Cato Institute's Chris Edwards wrote on the conservative think tank's blog.

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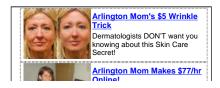
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