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Obama Freezes Pay for Federal Workers for Two Years

By **PETER BAKER**

WASHINGTON — President Obama announced a two-year pay freeze for civilian federal workers on Monday as he sought to address concerns over sky-high deficit spending and appeal to Republican leaders to find a common approach to restoring the nation's economic and fiscal health.

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

"I did not reach this decision easily," he said. "This is not just a line item on a federal ledger. These are people's lives."

He called federal workers "patriots who love their country" but added that "I'm asking civil servants to do what they've always done" and sacrifice for the good of the nation.

The president's proposal comes a day before he hosts Republican and Democratic Congressional leaders at the White House to begin mapping a way forward after midterm elections handed Republicans control of the House and six more seats in the Senate. The meeting, which was delayed when Republicans rebuffed Mr. Obama's first proposed date, will be the first time since the midterms that the defeated Democrats and the triumphant Republicans sit down to figure out whether they can work together.

At the top of the agenda are the economy and federal spending, both prime targets of voter anger during the just-concluded campaign. Even before the new Congress takes office in

January, the two sides must tackle such matters as whether to extend the [Bush-era tax cuts](#) that expire at the end of the year and whether to extend unemployment insurance payments that expire for many Americans as well.

The White House meeting also comes a day before a fiscal commission appointed by Mr. Obama is scheduled to issue its final report on how to curb deficit spending, a topic that has polarized Washington over questions about tax increases and entitlement benefit cuts.

Mr. Obama expressed optimism that the meeting with legislators would be a productive and fresh beginning. "My hope is starting today, we can begin a bipartisan conversation about our future," he said. "Everybody's going to have to cooperate. We can't afford to fall back onto the same old ideologies or the same stale sound bites."

The president's proposed pay freeze would wipe out plans for a 1.4 percent across-the-board raise in 2011 for 2.1 million federal civilian employees, including those working at the Defense Department. But the freeze would not affect the nation's uniformed military personnel. It would also mean no raise in 2012 for civilian employees.

The pay freeze will save \$2 billion in the current fiscal year that ends in September 2011, \$28 billion over five years and more than \$60 billion over 10 years, according to Jeffrey Zients, deputy director of the [Office of Management and Budget](#) and the government's chief performance officer. That represents just a tiny dent in a \$1.3 trillion annual deficit but it offers a symbolic gesture toward public anger over unemployment, the anemic economic recovery and rising national debt.

Mr. Zients said the president made the announcement on Monday because of an approaching legal deadline for submitting a pay plan to Congress. But by doing it now, the president also effectively gets ahead of Republicans who have been talking about making such a move once they assume greater power in January. Some Republicans have gone further, proposing to slash federal worker salaries.

With Republicans vowing to make deep budget cuts, Mr. Obama must decide how far he is willing to go and where he will draw a line. He pointed out that he has already found \$20 billion in savings from eliminating or scaling back unnecessary programs, identified \$150 billion in improper payments and proposed selling \$8 billion in unneeded federal buildings and land.

“We believe it’s the first of many difficult steps ahead,” Mr. Zients said.

The federal workforce is an obvious first target, if one fraught with political risk for a president who relies on union support. Critics have said the federal workforce has been protected from the ravages of the economy. Chris Edwards of the [Cato Institute](#) referred to federal workers, in a study in June, as “an elite island of secure and high-paid workers, separated from the ocean of average American workers.”

Mr. Edwards found that federal civilian workers had an average annual wage of \$81,258 in 2009, compared with \$50,464 for the nation’s private-sector workers. Average federal salaries rose 58 percent from 2000 to 2009, compared with 30 percent in the private sector, according to his study.

Union leaders said Mr. Obama was playing politics at workers’ expense. “It’s a panic reaction,” John Gage, president of the American Federation of Government Employees, said in an interview. “It’s superficial. People in this country voted for jobs and income. Sticking it to a V.A. nurse and a [Social Security](#) worker is not the way to go.”

Mr. Gage said the notion that federal employees make too much money “is a myth,” especially in light of million-dollar bonuses paid to Wall Street executives who he said helped trigger the financial crisis that plunged the nation into [recession](#). A typical border patrol officer makes \$34,000 a year, a nursing assistant makes \$27,000 and a mine inspector makes \$38,000, Mr. Gage said. “We’re an easy scapegoat,” he said. “We weren’t the ones who got us into this fix.”

Republicans welcomed Mr. Obama’s announcement even as they criticized it as not aggressive enough.

“At a time when our nation’s seniors have been denied a cost-of-living increase and private sector hiring is stagnant, it is both necessary and quite frankly long overdue to institute a pay freeze for the federal workforce,” Representative [Darrell Issa](#), a California Republican who is likely to become chairman of the House Oversight and Government Reform Committee, said in a statement.

This is not the first time Mr. Obama has addressed government pay to make a political point. He froze the salaries of his own top White House staff members when he took office 22 months

ago and later extended that to senior political appointees throughout the government and canceled their bonuses.

In their draft report, the chairmen of Mr. Obama's fiscal commission proposed a three-year freeze for federal employees.