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Trump Says He'll Eliminate Pay Raises for Civilian Federal Employees Next Year

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President Trump said Thursday he would invoke his emergency authority to freeze pay for more than two million civilian federal workers next year, citing the need to restrain the growth of federal spending.

“We must maintain efforts to put our nation on a fiscally sustainable course, and Federal agency budgets cannot sustain such increases,” Mr. Trump said in a letter to Congress on Thursday.

Democrats and federal workers’ unions decried the Republican president’s move, coming at a time of vigorous economic growth and after Congress passed a sweeping tax cut that congressional scorekeepers estimate will increase the budget deficit by \$1 trillion over a decade. Congress also reached a budget agreement this year to boost federal spending by nearly \$300 billion in 2018 and 2019.

“Trump has the nerve to eliminate pay raises for federal employees to ‘put our nation on a fiscally sustainable course,’ ” said a spokesman for the Democratic National Committee, pointing to the GOP tax law. He called the move “yet another slap in the face to American workers.”

Under current law, federal civilian employees are set to receive a 2.1% across-the-board pay increase beginning on Jan. 1, 2019, but Mr. Trump said he is eliminating those raises. He also said he would scrap additional raises, which vary by location, aimed at bringing federal pay in line with private-sector salaries.

Mr. Trump didn’t say how much the across-the-board raises would cost the government, but he said the locality increases would amount to \$25 billion next year. The annual federal deficit is expected to top \$1 trillion next year.

The president is authorized to submit alternative plans for federal employee pay if a “national emergency or serious economic conditions affecting the general welfare” would render the planned pay increases inappropriate.

The pay freeze “will not materially affect our ability to attract and retain a well-qualified Federal workforce,” said Mr. Trump, a billionaire businessman who campaigned for president in part by promising to cut government waste.

Congress could override Mr. Trump’s decision by including a pay raise in legislation. Mr. Trump, in his budget submitted to Congress earlier this year, included no pay increase next year for federal civilian workers. The Senate effectively rejected that proposal earlier this month by voting 96-2 to give them a 1.9% raise in 2019.

The House hasn’t weighed in on the issue. A spokeswoman for House Speaker Paul Ryan (R., Wis.) declined to comment.

Asked for comment on the proposal, a spokesman for Senate Majority Leader Mitch McConnell (R., Ky.) referred a reporter to the Senate Appropriations Committee. A panel spokeswoman declined to comment.

The American Federation of Government Employees, the largest union representing federal workers, urged Congress on Thursday to adopt the Senate’s plan for a “modest” pay raise.

Robert Martinez Jr., president of the International Association of Machinists and Aerospace Workers, which represents many federal employees, said, “It seems we can afford lavish tax cuts for the rich, but not decent wages for the men and women who keep our warfighters prepared for battle, print the money we spend and put out fires in the West.”

Chris Edwards, an economist at the libertarian Cato Institute, praised the order. The pay freezes implemented during the Democratic administration of former President Obama saved taxpayers about \$90 billion over 10 years and were also “good politics” for Republicans in the 2010 midterm elections, he said.

“A lot of Republicans at the time ran on a federal pay freeze, and it was an important part of their policy prescription, and I do think it helped them be so successful in that election,” he said.

However, this year, the civilian pay freeze could create an additional political hurdle for some House Republicans locked in tight re-election races in areas with high concentrations of federal employees. One is Rep. Barbara Comstock, who represents a Virginia suburb of Washington, D.C., who came out against Mr. Trump’s decision.

“I strongly oppose eliminating the pay raise for civilian federal employees and will work with my colleagues to have the pay raise included” in spending bills, Ms. Comstock said in a statement Thursday. “Our public servants have been getting shortchanged for years.”

Ms. Comstock’s Democratic challenger, Virginia state Sen. Jennifer Wexton, said in a statement Thursday: “Donald Trump and Barbara Comstock blew a two trillion dollar hole in the federal deficit by giving a tax handout to the wealthiest and big corporations, and now they’re going to pay for it on the backs of federal workers by denying them scheduled pay raises.”

Mr. Trump’s pay freeze doesn’t apply to members of the military, who are set to get a 2.6% pay increase at the start of the year.

The president’s move to limit federal employee pay increases isn’t unprecedented. Mr. Obama invoked the authority in the wake of the global financial crisis to hold worker pay increases to 2% in 2010.

Sensitive to rising federal budget deficits, Mr. Obama froze federal worker pay in 2011, and Congress voted to hold pay steady in 2012 and 2013 amid lackluster economic growth.

Federal civilian workers got a 1.4% pay raise this year and increases of 1% each year from 2014 through 2017, not including the location-based raises.

Mr. Trump's announcement came a day after new government data showed the U.S. economy grew at a 4.2% annual rate in the second quarter—the fastest pace in nearly four years—powered by strong exports, robust consumer spending and healthy business investment.

Mr. Trump talked up the data on Twitter Wednesday, saying, “Our country is doing great!”

Another sign of a sturdy economy: Paychecks for private-sector workers are growing as the labor market continues to tighten. Wages and salaries for employees in the private sector rose 2.95% in the second quarter, compared with a year earlier, the fastest pace in 10 years.