



GAO: Federal Pay Studies Vary Widely

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According to a recent GAO report, several recent federal pay studies vary widely in their conclusions and should not be taken in isolation when trying to determine how federal pay and benefits compare with other sectors.

GAO conducted the study to try to improve the understanding of federal pay in light of recent studies released with have reached widely varying conclusions on pay.

The following are the pay studies, their authors, and their conclusions which GAO analyzed:

- **Biggs/Richwine; American Enterprise Institute for Public Policy Research** - the authors found that the average federal worker's total compensation package was 61% higher than a comparable private sector worker
- **Congressional Budget Office** - the study concluded that the average federal worker's total compensation package was 16% higher than a comparable private sector worker
- **Edwards; Cato Institute** - the author concluded that the average federal worker's total compensation package was 100% than a comparable private sector worker
- **Project on Government Oversight** - the study concluded that the average federal worker's total compensation package was 20% higher than a comparable private sector worker
- **Sherk; Heritage Foundation** - the author concluded that the average federal worker's total compensation package was 30-40% higher than a comparable private sector worker
- **President's Pay Agent** - the study found that the average federal worker's pay was 24% lower than comparable non-federal workers

The aforementioned studies used the following methodologies to compare pay:

- **Human capital approach** — compares pay for individuals with various personal attributes (e.g., education, experience) and other attributes (e.g., occupation, firm size)

- Job-to-job approach - compares pay for similar jobs of various types based on job-related attributes such as occupation, does not take into account the personal attributes of the workers currently filling them
- Trend analysis approach - —illustrates broad trends in pay over time without controlling for attributes of the workers or jobs

GAO was asked to examine the following:

- How annual pay adjustments for the GS system are determined
- The extent to which the pay increases and awards available to GS employees recognize individual performance, and how the Office of Personnel Management (OPM) provides oversight of pay increases and awards
- How selected studies compare federal and private pay and total compensation and the factors that may account for the different findings

GAO compared and contrasted the differences between the studies' approaches, methodologies, and data sources, interviewed the studies' authors, people with expertise in compensation issues, and agency officials responsible for the data, but is not making any recommendations in its report.

The full GAO report is included below.