

Federal pay statistics are easily manipulated, GAO reports

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By Keith BieryGolick Special to Federal News Radio

The government is no closer to figuring out how federal pay stacks up to other sectors after a Government Accountability Office <u>report</u>.

In fact, GAO's review of six reports shows that it could be risky for anyone <u>using the results</u> to make decisions about future pay adjustments.

GAO found dissimilar reporting methods across each of the studies leading to conflicting results.

A 2012 Congressional Budget Office <u>study</u> showed federal workers earned 2 percent higher pay than private-sector workers. In contrast, a Cato Institute study from 2009 found that federal workers earned 58 percent more than private-sector workers. Another study done by The President's Pay Agent in 2011 showed federal workers actually earned 28 percent less than nonfederal workers.

The conclusions drawn from these studies differ due to several reasons, but the main one is the methodology used to calculate the pay rates, the report said.

The six studies utilized three different methods. The human capital approach, which three studies used, compares pay for individuals with various personal attributes such as education and experience.

The job-to-job approach, which two studies used, compares pay for similar jobs based on job-related attributes such as occupation, but doesn't take into account the personal attributes of the workers currently filling them.

The trend analysis approach, which one analysis used, illustrates broad trends in pay over time but doesn't take into account attributes of the workers or their jobs

The Project on Government Oversight, one of the groups that conducted a federal pay study, agreed with GAO's findings. Scott Amey, general counsel for POGO, wrote that he is concerned about the consequences of agencies using incorrect data.

"The numerous formulas utilized in human capital and job-to-job comparisons often lead to very different results," he said. "Simply stated, federal agencies collect salary and compensation information pursuant to numerous models that permit agencies and others to manipulate data while conducting an analysis."

The report concluded that because of the different approaches of the selected studies, their findings should not be taken as the answer to how federal pay and total compensation compares with other sectors.

Keith BieryGolick is an intern at Federal News Radio