

There's been a slew of reports issued over the last three years comparing federal employees' pay and benefits to private sector workers, and they've all come to some radically differing conclusions. Which one is right?

Everyone, and no one, [according to a new report](#) from the Government Accountability Office posted online Monday. GAO spent the last year digging into six reports on federal pay, and concluded that they "varied because they used different approaches, methods and data." For example:

The [Congressional Budget Office](#), American Enterprise Institute, and [Heritage Foundation](#) all used a so-called "human capital approach" to compare federal and private data. This means they took into account personal attributes (such as education and job experience), demographic attributes (like race and gender), and other factors such as occupation, locality, and firm size. All three of these studies found feds were paid anywhere from 2 percent to 22 percent higher than private sector employees.

The [President's Pay Agent](#) and the Project on Government Oversight used a "job-to-job" approach that, like the human capital approach, takes occupation and job level into account. They did not factor in personal attributes. The Pay Agent concluded feds are paid 24 percent lower than nonfederal workers (including state and local employees) and POGO found feds are paid 20 percent higher.

The [Cato Institute](#) conducted a "trend analysis" that did not control for any attributes and looked only at broader pay trends over time. Cato found feds' pay is 58 percent higher than private sector employees pay.

Unsurprisingly, the authors of each study told GAO that their method was the most accurate way to compare pay. For example, the researchers who used the human capital approach said their method can best measure whether the government is overpaying or underpaying its employees, compared to what they would earn if they quit their federal jobs and looked for work in the private sector. But even the human capital researchers conceded that their method shouldn't be used to set an individual's rate of pay, since demographic attributes such as race and gender aren't work related. (Just imagine the lawsuits if the government started paying certain employees less because other members of their race also earned less.)

GAO did not say that any of the studies were incorrect or faulty. But it did conclude that because they are so different, "comparing their results to help inform pay decisions is potentially problematic." GAO also said that "given the different approaches of the selected studies, their findings should not be taken in isolation as the answer to how federal pay and total compensation compares to other sectors."

Long story short, GAO's conclusions don't leave us any closer to settling the nagging pay gap question. GAO also reiterated the Pay Agent's "serious concerns" about the current method for setting pay under the General Schedule, which requires a single, across-the-board adjustment for all employees in each locality. This means that everybody — accountants, clerks, engineers, etc. — gets the same raise, even if the market for clerks grew softer that year while engineers became harder to find. The Pay Agent has called for the government to re-examine the method it uses to determine the federal-private pay gap.

And it notes that while President Obama called on Congress last September to create a commission to reform federal compensation and other personnel matters, "such a commission has not yet been established."

Tags: [GAO](#), [pay gap](#)