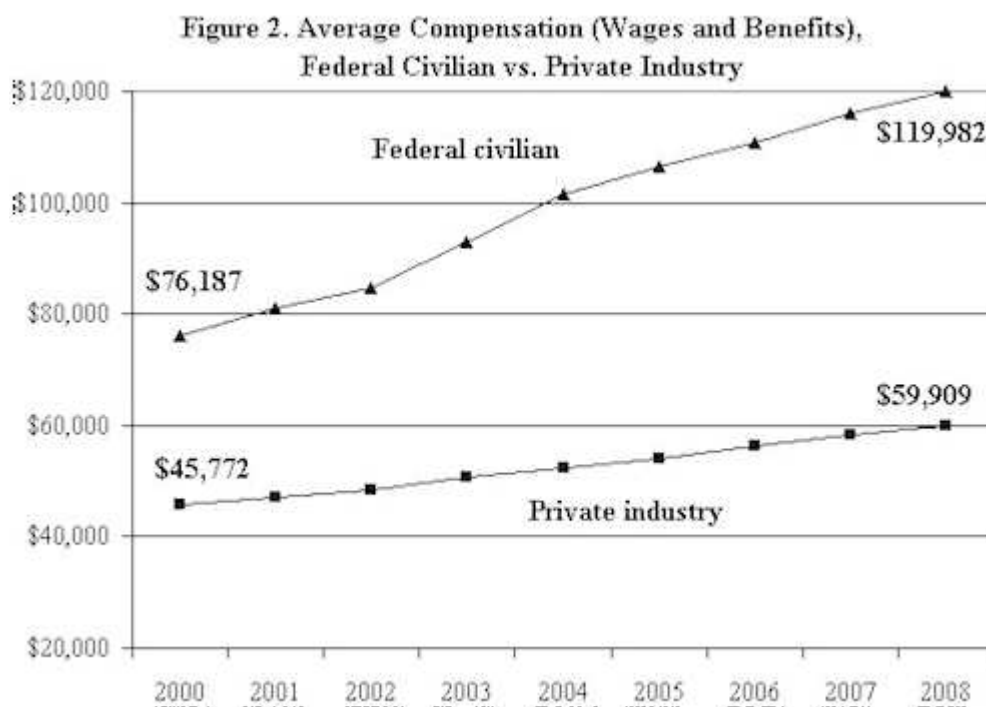


Matt Yglesias

Aug 24th, 2009 at 4:44 pm

Are Government Workers Overpaid?

The Cato Institute's Chris Edwards [seems to think so](#) and offers this chart:



The obvious problem here is that we have no idea what these federal workers are actually *doing*. When you think about what it is federal employees do, it seems to involve a relatively large amount of high-skilled professionals—lots of lawyers, for example—and relatively few people in low-skill job categories. It would be much more meaningful to look at the compensation of government workers compared to other people with similar jobs. It's rough and anecdotal, but it is worth considering the fact that while you regularly here about people leaving the public sector to “cash in” at private sector firms, you basically never hear of the reverse thing happening. People leave jobs at law firms to go work in the civil service, but they don't do it *in order to earn more money*.

Given the high level of unionization in the public sector, I do think it's plausible that low-end government workers are earning more money than comparably skilled people might be able to garner in the private market. But one look at the [2009 General Service Pay Scale](#) should disabuse you of the notion that a government job is a cash cow. People at the higher levels of the civil service are earning a living, but it's much less than senior managers or highly skilled professionals can get in the private sector.

- [Comments](#)
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Filed under: [Bureaucracy](#), [Political Reform](#),

83 Responses to “Are Government Workers Overpaid?”

1. *Rob Mac* Says:

[August 24th, 2009 at 4:46 pm](#)

It's all relative, of course. People who grew up in Manhattan penthouses might not realize this but a lot of lawyers don't make much money at all. My step father recently left private practice (in which he was getting killed) for a fairly low-paying state position, which was actually a nice step up for him in pay and benefits.

2. *ben* Says:

[August 24th, 2009 at 4:54 pm](#)

Government workers are also often provided healthcare benefits, which are getting rarer and rarer in the private sector.

3. *Joe* Says:

[August 24th, 2009 at 4:58 pm](#)

Government workers are on average more educated than the private sector. You have more graduate and professional degrees in the public sector.

4. *Dave* Says:

[August 24th, 2009 at 4:59 pm](#)

It seems a bit unseemly to me that they give one number and then raise it by %14 as a “Percentage Pay Adjustments by Geographic Locality” for *every* locality. Isn't that just a base rate then?

5. *costs* Says:

[August 24th, 2009 at 4:59 pm](#)

in terms of run of the mill state employees IT, accountants and engineers make much less than their corporate counterparts, govt administrative staff earn about ~20% less on the executive/managerial level and are about even at the lower levels, management earns roughly 70% what their corporate peers do (assuming equal staff and budget) your customer service, physical plant, industrial trades generally due better than their non-union counterparts

state employees generally have better benefits and pensions than all but the top corporate firms

on the federal level, how many of those civilians are on the defense/terror payroll?

6. *annelina* Says:

[August 24th, 2009 at 5:01 pm](#)

Scientists working in government labs are also presumably federal employees; most of them have doctorates and would command high wages if they went to private industry — although the feds do tend to pay higher than academia.

7. *Mattyoung* Says:

[August 24th, 2009 at 5:02 pm](#)

It is the differential rate of rise.

Yglesias wants us to believe that over time government workers become more important than private sector workers. If that is the case, then why does government continually operate in deficit mode? And if over time, government workers provide more utility than private sector workers, why are we in a depression? At some point, Yglesias advocacy of ever higher pay for government workers should result in better economic growth.

8. *pseudonymous in nc* Says:

[August 24th, 2009 at 5:02 pm](#)

I can't wait for his graph comparing the texture, sourness and colour of popular fruit.

9. *DC* Says:

[August 24th, 2009 at 5:03 pm](#)

I used to work at a Fedjob, and I can vouch for the fact that, across the board, civil servants (generally) show up for work on time, clock in a full day, and do exactly what they are told to do. Now, I'm not saying that it was the most exciting place to work, or that I was supremely motivated, or that I was utilized properly, but that's not really the point.

On the flipside, I think you can make a strong case that many professional-class private sector gigs are quite overpaid. Case in point, an IT professional family member of mine slacks into work constantly, leaves early, does what he is told, and makes very well in excess of six figures. From that metric standpoint, the federal-side folks should be paid more, not less. I think that's what MY is implying, without the benefit of real data.

10. *David* Says:

[August 24th, 2009 at 5:10 pm](#)

Just think for a moment about regulators. Should we pay the people who regulate Wall Street as much as they could earn there? Theoretically we should, but obviously we can't.

11. *Josh Yelon* Says:

[August 24th, 2009 at 5:13 pm](#)

Here's a useful paper.

http://www.cbo.gov/ftpdocs/78xx/doc7874/03-15-Federal_Personnel.pdf

The salaries in the paper look pretty normal to me. (eg: \$45k for technical professionals). I'm with Matthew - I'm guessing the doctors in the VA hospitals are driving up the average. A single employee making \$400k can really push the average up a long way.

12. *daveincolorado* Says:

[August 24th, 2009 at 5:13 pm](#)

I don't work in the federal government, more like a special district, but still a public agency. We do an annual survey of salaries and benefits as the basis for supposed merit and cost of living increases (although we haven't had either for three years now). The last survey showed us to be 15 - 20% lower than comparable private sector employees. I am a project manager with consultants working for our agency. When I go into a meeting, I'm generally the lowest paid person in the room - I know because I review their invoices for payment. The chart doesn't say what positions are being compared; could be

Department Heads compared to secretaries.

13. *j* Says:

[August 24th, 2009 at 5:15 pm](#)

I quit taking CATO seriously when they published an anti-public health screed. Their insightful critique of epidemiological cost estimates of health risks, that they thought was devastating, involved dividing by zero.

They did not understand the high school math involved in simple epidemiology calculations. I do not recommend spreading CATO results of any kind until every bit of data and all their assumptions and calculations are checked.

This CATO ideologue asks in his post ‘what is going on here?’ I will inform him, he is doing a stupid analysis.

14. *jmo* Says:

[August 24th, 2009 at 5:16 pm](#)

At least in my experience a lot of the compensation for government employees comes in the form of benefits and job security. We can put a \$ value on something like a pension - but I wonder how one would put a dollar value on job security.

I know people who are happy making 65k working for the gov’t who could be making 120k-150k in private industry but are comfortable with a steady paycheck and a pension. If you run the numbers, even with periods of unemployment and even factoring in the pension, you’d almost always end up better off with the 120k job.

But, some people prefer safety.

That being said, I think it’s somewhat disingenuous for people to say we need to get rid of these job protections and pensions for government employees. If you do that, you would need to start paying them much more as the main reason for working for the gov’t would no longer apply.

15. *LaFollette Progressive* Says:

[August 24th, 2009 at 5:16 pm](#)

I can't wait for his graph comparing the texture, sourness and colour of popular fruit.

The Cato Institute is the produce department of the DC think tank scene. Every day brings forth fresh picked cherries, apple carts piled high with various citrus fruits, and stands where enterprising children sell reconstituted B-rated lemon derivatives that have been repackaged and labeled as fresh-squeezed AAA lemonade.

16. *Aqua Regia* Says:

[August 24th, 2009 at 5:19 pm](#)

This graph seems somewhat useless to me, without knowing what kinds of jobs the government has added during that timeframe. Comparing similar jobs in the private and public sector over time might be more informative, although I would expect you would get conflicting results. Comparing the salaries of private vs government IT professionals might be interesting. I think the trends would be reversed if you were to compare private vs government economic experts.

17. *Warren Terra* Says:

[August 24th, 2009 at 5:19 pm](#)

@ MAttyong, #7

It is the differential rate of rise.

Yglesias wants us to believe that over time government workers become more important than private sector workers.

Or, alternatively, government has increasingly privatized and contracted out for jobs and services, cutting off the lower end of the federal payroll. Work that used to be done by mess workers in the armed forces, for example, is now performed by contractors rather than soldiers. Given that this sort of contracting was very big in the 90's, and likely didn't slow down under Dubya, it's a fair bet that while government expenditures on the services have probably gone up (because these contracting efforts usually fail at reducing costs in the middle-to-long-term), the old low-salary government jobs that used to be involved are gone.

In any case, anyone who thinks that government wages are frequently even as high as private-sector wages for the same education, experience, and exclusivity (let alone higher) just isn't paying attention, or isn't being honest. There are advantages (excellent benefits, job security, a feeling of doing constructive work in the public interest), but the worker almost always is making a compromise on pay.

18. *2liberal* Says:

[August 24th, 2009 at 5:22 pm](#)

first this is average vs median salaries. second over the timeframe of the graph a lot of lower level gov't jobs were contracted out. third due to defense rise how many of the jobs are civilian, but defense related such as defense engineering?

19. *mpowell* Says:

[August 24th, 2009 at 5:23 pm](#)

Cato is obviously interested in the rate of change, but I'm not sure what their point is. Under Bush, income stagnation for most Americans was so bad that even under a Republican administration, federal pay increases outpaced the private sector. Or maybe it's the other way around. But it is just classic for them to pull this out now at the start of a DEM administration.

20. *Craig* Says:

[August 24th, 2009 at 5:27 pm](#)

My dad has been a Computer Programmer for the Department of Interior for about 3 decades. He probably gets paid less than he would if he was in the private sector, but he has had the security of a steady job for the whole time and that counts for something. I also think that the amount of experience he has at that job so exceeds the kind of experience that you see in private sector firms that it is probably impossible to make useful comparisons.

21. *bartkid* Says:

[August 24th, 2009 at 5:28 pm](#)

>Are Government Workers Overpaid?

Please remind me how many hundreds of millions such overpaid government workers got paid in

bonuses this year?

22. *tom veil* Says:

[August 24th, 2009 at 5:29 pm](#)

I can't find it right now (mainly because, wouldn't you know, I'm at my government job and don't want to waste too much time), but every few months during the last boom there would be a new article about how some research group had calculated that government lawyers are getting peanuts compared to the private sector. The usual numbers are that Federal lawyers get about two-thirds of what top private DC lawyers get. State lawyers tend to do even worse, even when compared to private lawyers in smaller towns where private law practice isn't as lucrative as in DC. It's a relatively new phenomenon, too: as recently as the late 1970s, public and private pay rates were almost at parity.

23. *Njorl* Says:

[August 24th, 2009 at 5:29 pm](#)

The Federal government has been shedding their low paying jobs and assigning them to contractors. There are virtually no janitors in federal employ. Most of the security staff outside of federal police forces have been replaced by contractors. A large portion of the routine clerical work and internal mail services are done by contractors.

These are all poorly paid jobs being transferred from the federal government into the private sector.

24. *Bosch's Poodle* Says:

[August 24th, 2009 at 5:31 pm](#)

I'm a fairly senior IT worker, AF contractor, and I can tell you emphatically it's hard for the government to find a way of paying us what the private sector will pay us. Matt is right - civilians cash out and become private-sector workers (granted, federal contractors, but still).

The real scandal is that contractors can sneak their employees into overly ambitious labor categories at higher bill rates fairly easily, and that kind of thing is rarely detected by anybody. That in turn leads to some wage inflation among contractors.

25. *Benny Lava* Says:

[August 24th, 2009 at 5:33 pm](#)

Interesting time scale here, seeing as this graph begins and ends with the Bush administration. Is Cato laying down more evidence for the incompetence of the Bush administration?

26. *johnnyk* Says:

[August 24th, 2009 at 5:37 pm](#)

Similar debate here in Canada.

The lower-level fedsters make more than their counterparts in the private sector and have a much superior indexed pension plan.

But upper end professionals seem to be making quite a bit less. Lawyer friends in private practice are making 150-250K

but fed lawyers I know are making half. But they get to go home at 5pm and have two-day weekends.

27. *j obras* Says:

[August 24th, 2009 at 5:39 pm](#)

I used to work at Cato and I don't trust Cato publications. BTW, it's "Cato" not "CATO".

28. *macy* Says:

[August 24th, 2009 at 5:40 pm](#)

In my experience, the only way to hang on to good IT people at a public institutions is flexible scheduling. I let my IT manager telecommute two days a week and my lead programmer only has to be in the building for meetings. They are easily reachable and get the job done so it works out for the employees and the department.

29. *bperk* Says:

[August 24th, 2009 at 5:42 pm](#)

First, I'd like to agree with the posters that cited the shedding of low-end federal jobs. No federal janitors, cafeteria workers or support staff. Also, I'm pretty sure that federal employees are not allowed to make more than the President, so that is a much lower maximum than in the private sector. You would be hard-pressed to find any partners in a DC firm that make less than the President.

30. *mpowell* Says:

[August 24th, 2009 at 5:45 pm](#)

If the government is, in fact, outsourcing more low paid work that is both first, bad, and secondly, likely to lead to this kind of result. Of course, the Bush administration was all about funneling public money to private friends and outsourcing is a great way to do that.

31. *dougR* Says:

[August 24th, 2009 at 5:49 pm](#)

This smells like another steaming load from the old bottomless bucket of conservative crapola. First of all, I checked his citations, and can't make the tables he cites say what he says they do (granted I'm a statistical illiterate, but I simply don't see the data he cites.) Second, I don't see (nor does he provide a citation for) the source of his figures that supposedly factor in benefits. Somebody at Cato do a little number-crunching? Oh, I'm SUUURE those figures would be fair!

However, I DO work in private industry, where allotted vacation time is miserly, wages are barely survivable, and my employer-provided "health plan" pays for so little that it's almost like not having insurance at all. (Trip to the doctor next month? start saving NOW!) Perhaps Mr. Edwards is upset that federal workers have what we used to call a "decent living wage."

I'm not sure what would be the federal job equivalent to "cosseted Cato PR flack," but I'll bet you dollars to doughnuts Mr. Edwards is doing much, much better.

32. *Mattyoung* Says:

[August 24th, 2009 at 5:49 pm](#)

So the government has gotten more efficient due to contracting out to private sector? Hence, more ad higher paid managers.

This [link](#) says:

"The federal workforce grew by more than 120,000 employees between 2000 (the low point during the last 10 years) and 2008.."

So I am to presume that increasing the federal job force over the eight years of Bush resulted in greater overall economic efficiency, and was justified even at the increasing wage rates. Remember, the unemployment rate for government workers in and around Washington DC is 5%.

Again the Yglesias argument is that the Federal government had become much more efficient than the private sector over the last eight years, and we should have more of the same.

Repeat, then why are we in a depression? And how did Bill Clinton manage the economic boom when he reduced the numbers of these very efficient workers and replaced them with 25 million private sector workers?

Something is wrong with this picture.

33. *jmo* Says:

[August 24th, 2009 at 5:50 pm](#)

However, I DO work in private industry, where allotted vacation time is miserly, wages are barely survivable, and my employer-provided "health plan" pays for so little that it's almost like not having insurance at all.

What industry do you work in? Might be time for a change?

34. *JonF* Says:

[August 24th, 2009 at 5:50 pm](#)

Re: Government workers are also often provided healthcare benefits, which are getting rarer and rarer in the private sector.

Health benefits are not exactly rare in the private sector. If that were the case the pressure for universal healthcare would be irresistible and the town hall "death panel" idiots would be lucky if they weren't strung up from the lampposts. However, 100% employer paid health benefits are pretty rare these days. Anyone know what government workers have to pay for their insurance?

35. *AVS* Says:

[August 24th, 2009 at 5:57 pm](#)

In the UK (and I think in Canada) it's fairly standard for people to take lower paid public service jobs in exchange for more job security (of course in those countries most people don't think the government is out to kill their grandmother).

36. *pseudonymous in nc* Says:

[August 24th, 2009 at 5:57 pm](#)

There are advantages (excellent benefits, job security, a feeling of doing constructive work in the public interest), but the worker almost always is making a compromise on pay.

As I've mentioned here before, lots of clinical psychologists in public mental health consider the VA their ideal job — not because it's particularly easy work, especially well-paid or comes with a boffo benefits package, but because it offers stability and security by comparison with state and local systems, where mental health is often the stuff of experiment, even when it's not subject to budget tightening by legislators who don't have a clue about its role.

37. *Paula* Says:

[August 24th, 2009 at 5:58 pm](#)

There are benefits in addition to health care for federal employees. We were sent overseas and our housing was paid for and we had a variety of support services. But still, what my husband made was between a half and a third of what government contractors make. If Cato is worrying about waste, they might start there. But the contractors are treated terribly. They have no control over their life, their days off, what their task might be, or if they will have a job next week.

You know, some people don't have perspective about money. If you have enough, it's more important to like your work, and my husband is one of the few people I know who looks forward to going to work, isn't tired when he comes home, and doesn't get forced into overtime. That is worth more than the paycheck difference.

About Cato, government workers stay long enough to be worth something. We have a friend who is just a high school graduate, but she has learned on the job and through government sponsored seminars, and she knows as much as I do about business and I have an MBA. And I'm not a famous idiot.

38. *jmo* Says:

[August 24th, 2009 at 6:06 pm](#)

ou know, some people don't have perspective about money.

People do, they just have different values.

Examples - A contractor I know would work 2-3 years on a project make some bank and they spend 6-9 months on a beach in Greece - he's single that's what he wanted.

Example - B - An engineer took a job that has him traveling all over the world. Wife stays home, kids are in private school, college is already paid for. Some might value that over two working parents and kids graduated with 50k in student loan debt.

Different strokes.

39. *NeonBlack* Says:

[August 24th, 2009 at 6:12 pm](#)

Considering the fact I don't have a college degree, I'm pretty well compensated for my government job. My pay scale actually goes higher than the GS bands (air traffic controller), but it wouldn't be fair to compare my job to the average job that could be obtained with my qualifications.

40. *jimmy* Says:

[August 24th, 2009 at 6:12 pm](#)

I work in the employment biz and believe me, there is **NO WAY** that this chart is accurate in any meaningful sense. Zero. Nada.

41. *wiley* Says:

[August 24th, 2009 at 6:13 pm](#)

I won't bother reading a CATO report. I wouldn't want to pay VA health professionals or government employed engineers any less. What's with the right-wing hatred of necessary work? Is it just too terribly divorced from the world of finance and two-bit ideological wonkery to make sense to them?

42. *Joe Strummer* Says:

[August 24th, 2009 at 6:15 pm](#)

state employees generally have better benefits and pensions than all but the top corporate firms

Yeah, that's what I had thought. However, it's wrong. State employees, at least here in the south, do not enjoy good pay or good benefits. Maybe the only thing they do enjoy is a certain job stability, although that's even being tested in this economy.

For instance, the state pension scheme is in real financial trouble, in part through shenanigans involving the private firms who helped oversee investing. In addition, the supposedly rich benefits are a crock. State employees in my state must pay out of their comparatively low salaries for their family's health insurance if they want to be covered under the state plan. For a family of three (not including the employed individual), that can be \$500-\$600/month.

Federal employees do do a lot better, but it's no gold mine.

43. *blpanda* Says:

[August 24th, 2009 at 6:15 pm](#)

One of the things you learn about here in law school is the idea of taking a big firm job. I know one commentator mentioned private practice, but at the large law school factories the firm is where you head.

It has taken a lot of effort by these law schools to start to change people's views about going into the government. Usually when you talk to government lawyers, who usually have to have work in the private sector first, you hear often about a major pay cut. Most do it out of a sense of service and seeking a sort of better life rather than the 80 billable hours per week.

Thus, you always note the lower pay overall in the legal profession. It is well known that government and non-profit work is not only badly paid, unless you have some sort of loan repayment program, you are screwed.

44. *JadedOptimist* Says:

[August 24th, 2009 at 7:36 pm](#)

I'll echo what several others have said about moving from private industry to (state) government employment in a fairly high level IT position. I took a fairly small pay cut in exchange for not having to travel constantly, not having to worry about being booted when my project was finished, and the excellent health benefits (I need very expensive prescriptions, and it isn't an issue with our health care plan, presumably because of the large size of the pool). And, surprise surprise, it turns out that I've gotten to work on significant projects that are challenging and actually beneficial.

Financially, though, it hasn't been great. Between the years of salary freezes and the years of minimal raises and our current furlough program, I'm making just about what I was hired at seven years ago. But for all the reasons above, I don't regret the move for a minute.

45. *md 20/400* Says:

[August 24th, 2009 at 7:54 pm](#)

Want to know how much VA pays for medical officers? Go to OPM's FedScope. Hours of fun for the whole family. [For instance](#), the largest group of medical officers gets more than 180K/year.

46. *jar* Says:

[August 24th, 2009 at 7:59 pm](#)

Over the last 10-15 years, and especially since Bush was elected, there has been a big push in most agencies to contract out as many FTEs as possible. A result of this, naturally, is that the floor cleaners, garbage picker-uppers and lawn care people all get subbed out. That probably explains most of the increasing gap.

47. *HappyFed* Says:

[August 24th, 2009 at 8:06 pm](#)

I'm a fed, work in HHS (just bidding my time till I get to pull the plug on your grandma). In my office I am actually an exception in that I don't have a graduate degree. The pay is decent, you start pretty low, but with the GS pay scale, you move up pretty quick. The benefits are good, but somewhat overstated. At least for us relative noobs, there is no pension, just an matching contribution program just like 401K. You get your choice of health insurance, but the plans get expensive quickly, my high-deductible plan and dental coverage add up to \$100 a month. I can get away with it as a healthy 20-something, but I would have to trade-up when I start a family.

Overall, I enjoy the work. It's interesting, sometimes challenging and you feel like your work actually has a chance to make a difference in someone's life. The job security is very nice, and I certainly appreciate it a great deal these days. Honestly, the best part of the job is that after 3 years you get 19 personal days. That means I can actually have a life outside of work, travel, take some vacations.... whatever I damn please. Yeah, I could probably make more in the private sector eventually, but what's the point if you can't enjoy it?

48. *Christine* Says:

[August 24th, 2009 at 8:28 pm](#)

I've worked in the public sector on both the state level and the local level, and in the private sector as well. Salary surveys of the private sector are conducted on a regular basis and adjustments follow — usually long after the survey, unfortunately. There are often many other perks involved in working for the government: more time off, adherence to a 40-hour week, little or no chance of some hot-head manager firing you in a fit of pique and furloughs first with lay-offs a last resort, greater opportunities for minorities and health care benefits that are somewhat better than the private sector and more liberal (coverage for your significant other), and sometimes a better pension program. Yes, many of these perks are offered in more competitive, high-paying jobs in the private sector, but working in the public sector has definite advantages.

On the other hand, the American Federation of State, County and Municipal Employees grew faster than any other branch of the AFL-CIO in the 90s. I'm not sure if that's still the case.

49. *Myles SG* Says:

[August 24th, 2009 at 8:29 pm](#)

My step father recently left private practice (in which he was getting killed) for a fairly low-paying state position, which was actually a nice step up for him in pay and benefits.

It's called *you have to go to a T15 law school*. The legal profession is bimodal; you either graduate from a T15 school and get paid buckets and buckets of cash, or you graduate from a mediocre school and get paid like a public defender.

50. *Anandakos* Says:

[August 24th, 2009 at 8:38 pm](#)

I'm struck by the assertion that in the private sector average (is that median or mean?) wages rose 33%

during George Bush's presidency. I find that an absurd conjecture; it must be nominal dollars, which is just so typical of people like Cato: scream about tomorrow's inflation but ignore yesterday's.

As for the increasing gap between Federal and private sector workers, jar at #46 nailed it. You just don't find Federal employees in blue collar careers any more. At all. They've been outsourced.

As a taxpayer I guess I'm find with that, but it just gives the twisted right more bogus ammunition against those who are still there. Isn't it pretty unseemly for richly paid "pundits" to complain that a Federal GS-12 makes about \$100K per year with a Masters in something meaningful and **strong** pressure to keep working on that doctorate.

51. [Nat](#) Says:

[August 24th, 2009 at 8:43 pm](#)

In which bucket is an IT contractor who works for the government? Here in Texas real employees are in the distinct minority. Contractors make 2-3 times what an employee makes. Last week 10 contractors were escorted from the building for exceeding their 200k caps for the year (which ends this month.) Twenty years ago contractors were very rare. Now they are the norm.

The government has basically zero cashiers and sales clerks earning minimum wage. Gross comparisons are basically without merit, as we have come to expect from Cato.

52. [jmo](#) Says:

[August 24th, 2009 at 9:31 pm](#)

. Contractors make 2-3 times what an employee makes.

How many Texas state employees make more than the governor? As you know, the governor of Texas makes \$115,345. Looking at my facts and figures that's about what an IT manager at a midsize company in Austin or Dallas makes. It's just not a valid pay structure.

Obviously you're either going to have to hire a contractor - otherwise who would work for such short money?

53. [HappyFed](#) Says:

[August 24th, 2009 at 10:05 pm](#)

Another thing to keep in mind is that obviously a huge chunk of the federal work base is located in DC. It's no secret that the DC area has one of the highest costs of living in the country, so the locality pay reflects that. Maybe it doesn't figure into the recent "rise", but it's a good idea to keep that in mind when talking about national averages.

Also, ask any fed about contractors and be prepared for a rent. as a rule of thumb, it's a waste of money. We contracted Booz Allen to set up a database, cost was \$250K to set it up and \$100k a year to maintain. Could've just hired and IT guy for that money and had change left over. The whole contracting obsession is based on the blind belief that the private sector does it better, regardless of the evidence.

54. [wiley](#) Says:

[August 24th, 2009 at 10:06 pm](#)

VA doctors are busy. The psychiatrists who are probably in that highest paid category are dealing with a large volume of peculiarly fucked-up people, most of them young and trained to avoid

introspection—many of them suicidal.

There are also accomplished research scientists working for the VA. Experienced VA doctors, are highly specialized and dealing rather well considering the fact that they are underfunded and understaffed.

55. *Tyro* Says:

[August 24th, 2009 at 10:13 pm](#)

The whole contracting obsession is based on the blind belief that the private sector does it better, regardless of the evidence.

The Hatch Act basically provides a huge incentive to privatize. Federal employees cannot act as fundraisers (they can donate, just not solicit donations). Employees of a contracting firm (and, more to the point, the CEOs of federal contracting firms) can organize all the fundraisers they want... for Senators and Congressmen that support privatization.

56. *Mattyoung* Says:

[August 24th, 2009 at 10:41 pm](#)

No matter how one argues for or against the Yglesias philosophy of government there always seem to be kinks in the argument. The problem may be that Yglesias himself is inconsistent.

57. *PaulW* Says:

[August 24th, 2009 at 11:05 pm](#)

Things to consider about that wages chart:

1) A majority of government jobs are based in the Washington DC metro area, which is a very high cost-of-living market. Back in 2001 I was teaching a job hunting class at a library, and right in the middle of it had been offered a job (not an interview, *the actual job!*) via email for a small private university in Alexandria, VA. I did a cost-of-living comparison to demonstrate that to the class, and also to see if would be worth my while to move up there. Back then, I'd have had to have taken DOUBLE the salary being offered just to equal what my salary in South Florida (which isn't a cheap market either) was paying me. So I had to decline. And that was back in 2001! There's a good chance the government salaries are that high to compensate for the high cost of living in that market.

2) That chart is showing average salaries and wages. From my job hunting experiences (both training it and doing my own) I was taught that the *Median* salary and not Average was a better measurement to determine the health of a job market. I'd love to see the Median government salary compared to a Median private salary at a comparable job.

58. *Desenada* Says:

[August 24th, 2009 at 11:34 pm](#)

I am about to go work for the government as a lawyer. I will be paid about \$61,000. Had I taken the offer from a private law firm, I would have started at \$160,000, and had my bar expenses paid for (worth about \$3,000) and a \$10,000 stipend to cover my expenses during the summer. The government covers none of that.

59. *sven* Says:

[August 25th, 2009 at 12:27 am](#)

I would love to see the change in income between 2000 and 2008 broken out by department. According to our wealthy overlords at the BLS:

Federal workers: 1.774 million (2007 numbers)

DOD: 623,000

Homeland Sec: 149,000

VA: 239,000

Justice Dept: 105,000

These 4 departments are 1.116 of 1.774 million or 63% of federal employment. Is anyone still shocked that federal wages went up during the Bush years?

You can find the BLS statistics [here](#).

P.S.

Why does the Cato Institute hate America?

60. [Fabius Maximus](#) Says:
[August 25th, 2009 at 1:06 am](#)

The greater security of civil service (not absolute, of course, but far better than most private sector jobs) increases their lifetime earnings, looking overall working populations. People involuntarily fired in their 50's lose their peak earnings years — and peak pension accumulation years. That added safety means not just less risk, but more money.

61. [bouncing b](#) Says:
[August 25th, 2009 at 1:35 am](#)

JonF asks: Anyone know what government workers have to pay for their insurance?

I'm a federal researcher (PhD) in an environmental agency. Looking at my latest pay stub, I pay \$182 every 2 weeks (\$4736/yr) for self+family health insurance. It went up 23% since last year. (Lousy) dental and vision is extra.

And just to echo others, yes, there has been a huge turnover of blue-collar personnel to contractors. Virtually every fed working in my building has an advanced degree these days.

62. [Patrick](#) Says:
[August 25th, 2009 at 3:28 am](#)

I work for the government and am overpaid for the work I do (remote data entry). I'm able to demand higher wages than similar work in the private sector due to a strong union, the fact the job requires one to be an American Citizen, the demand for overly high qualifications for the position, my job is protected by my congressman, and a dozen other reasons. The job is a really cushy job for former military, since they get higher preference in being picked for the position. In addition, there's an over-investment in capital stock, which drives up wages.

Currently we're facing massive losses. A private sector industry would have kept wages down by outsourcing what we do. They wouldn't have been as beholden to the unions or the demands of a congressman. Strong demands for profit would have forced reform a long time ago.

===

You have to remember for most Americans, they are more likely to run into people like me, people overpaid for a really easy job, then the people at the top of the government salary range who are under paid compared to what they do, often because they prefer the prestige, or future opportunities, or believe in a patriotic duty or something. The underpaid experts at the top make up only a fraction of the total work force.

It is probably different in DC, where you will find more underpaid professionals.

63. *JonF* Says:

[August 25th, 2009 at 6:10 am](#)

Re: Back then, I'd have had to have taken DOUBLE the salary being offered just to equal what my salary in South Florida

While I don't know about Alexandria per se, I moved from S Florida to Baltimore which is pretty much the same area but it is not double what the cost of living was in Ft Lauderdale. We pay the same rent here we paid there. A lot of smaller things (e.g., vet expenses) are higher though. I suppose everyone's particulars are different. If you owned a house in S Florida and had bought before the bubble then housing prices here would indeed be a shock. And here in Maryland there's both state and local income tax which Florida did not have.

64. *bob h* Says:

[August 25th, 2009 at 7:17 am](#)

If the source is the Cato Institute, there probably are indeed grounds for skepticism about cherry-picking data to support a political point. I just don't believe Federal compensation is that high on average.

65. *DTM* Says:

[August 25th, 2009 at 7:44 am](#)

I just (barely) skimmed this thread, so this may be redundant. But I wanted to note that not only are federal government lawyers paid a lot less than most of their privately-employed peers with similar qualifications in similar location, but also this gap has been growing, not shrinking, recently.

Of course job security (and job satisfaction) are worth something. But if you are just looking at compensation rates, CATO's analysis would be wrong both in terms of margins and rate of increase as applied to lawyers.

66. *Kathy* Says:

[August 25th, 2009 at 8:12 am](#)

I think there's a benefit to being a Federal employee in many cases that doesn't fit on a chart: the quest for power. IRS employees command a certain amount of sheer terror from most people. A government bureaucrat from almost any agency can wield his power to make the lives of those under him, and the people he's "helping" miserable beyond belief. Let's call it a "perk." But many people sit down in a federal chair and never get out because they like that. It's not the money. (Do you doubt this? Have you flown lately? Have you seen the TSA people who appear unqualified to work at McDonald's but who enjoy extraordinary power over people?)

Private sector people don't get that much. Private sector workers have to be concerned with the happiness of their clients. They have to provide customer service. Feds? Not so much.

67. *Eonobuzz* Says:

[August 25th, 2009 at 8:33 am](#)

It's rough and anecdotal, but it is worth considering the fact that while you regularly here about people leaving the public sector to "cash in" at private sector firms, you basically never hear of the reverse thing happening.

Generally true, but this ignores the "revolving door." Probably the topic for a separate post.

68. *save_the_rustbelt* Says:

[August 25th, 2009 at 8:50 am](#)

My wife and me have both been private sector professionals our entire careers, and neither of us have ever had benefits as good as our mail carrier, let alone the job security and the early pension.

69. *Tyro* Says:

[August 25th, 2009 at 8:56 am](#)

While I don't know about Alexandria per se, I moved from S Florida to Baltimore which is pretty much the same area but it is not double what the cost of living was in Ft Laudrdale.

The cost of living in Baltimore is a *lot* lower than the immediate DC metro area. Seriously, the contrast is stunning, particularly when you compare accessibility to the respective city centers.

A government bureaucrat from almost any agency can wield his power to make the lives of those under him, and the people he's "helping" miserable beyond belief. Let's call it a "perk."

Gee, I used to be a federal employee many years ago, and I now realize that I was apparently missing out on this opportunity to make the lives of plenty of people miserable. I guess I should have taken advantage of it while I had the chance! In reality, of course, you don't get to do that, any more than anyone else in the private sector gets to. And no one... *no one* goes into any kind of "customer facing" job in a "quest for power." That's usually a symptom of a career that *failed* in its quest for power.

I do kind of wonder if there's anything to Patrick's claim that our perspective is colored by our experience in DC and the sort of federal work that's done here as opposed to the earmarked pork agency in west podunk.

70. *Tyro* Says:

[August 25th, 2009 at 9:06 am](#)

My wife and me have both been private sector professionals our entire careers, and neither of us have ever had benefits as good as our mail carrier, let alone the job security and the early pension.

Everyone talks about how good the mail carriers, garbage men, and bus drivers have it, but I never see those who say that trying to get one of these jobs for themselves.

71. *Matrix* Says:

[August 25th, 2009 at 9:37 am](#)

In the upstate NY town I grew up in, people compete for open mail carrier positions. Guaranteed salary, pension and health benefits make it very attractive.

I know three people who have just retired from NY state service at essentially full pay at the ages of 55-59. Their pensions are guaranteed. It's like being a schoolteacher in NY state; that's why there are

very few positions for these jobs available. The salary is lower than the private sector, but the health benefits, security and retirement options are truly superior. The public service unions have done a wonderful job for their constituents; it's just the rest of us who won't be able to pay for their successes.

72. *Andrew Says:*

[August 25th, 2009 at 9:55 am](#)

I work for the Federal Government.

While I do believe we make more at the entry and mid-range level... once we reach GS-13 level (more a management level)... the private sector is paying much more for the same type of work.

A lot of federal workers here leave to become consultants... and make more.

For me though, I am just starting out from college so I am very happy with the pay and benefits at this level (GS-7).

73. *Charles M. Smith Says:*

[August 25th, 2009 at 10:18 am](#)

Just one data point for the conversation. I worked in Government for 31 years, had a high salary of about \$110k and have a masters degree from Harvard.

My last job was managing a \$6 Billion per year program for supporting troops in Iraq and Afghanistan.

Public service was a good career. I led a nice middle class life and think I actually did some good work for taxpayers and soldiers. The extra money I could have earned in the private sector does not compensate for the satisfaction I experienced in my job.

74. *dougR Says:*

[August 25th, 2009 at 10:49 am](#)

Thanks, Charles M. Smith, for making a good point. As a taxpayer, I don't mind federal workers (whose jobs, ultimately, involve managing the public's resources) making a decent salary with humane benefits and good fringes (vacation etc.), as long as they are doing a good job for the public.

Mr. Smith's job (and his entire unit) could very well have been outsourced to oh, I don't know, Halliburton, for instance. Then you'd also have to factor in Halliburton's overhead (including the probably mid-six-figure salary of Mr. Smith's private-sector replacement, plus overhead for keeping the corporate jets flying etc.), the additional revenue for Halliburton's cost overruns, and additional revenue needed to fix the part of the job that Halliburton screwed up (electrical work in Baghdad, anyone?). And, to belabor the obvious, with the private sector in charge, you'd have a program administrator whose job is to chisel every last nickel out of the contract for the benefit of the CEO (and the CEO's bonus), rather than someone dedicated to doing the best job possible on behalf of the public.

Personally, I'm happy for federal workers making a decent wage. Wish the private sector took care of its workers (ALL of them, not just the overcompensated glamour-pusses) as decently.

75. *Government pay « Globe and Fail Says:*

[August 25th, 2009 at 11:00 am](#)

[...] By globeandfail Matt Yglesias links to a CATO study about a supposed gap between wages between the public and private sector. And he [...]

76. *Rachel* Says:

[August 25th, 2009 at 11:23 am](#)

They are absolutely over paid. I used to work government but went to the private sector because of reverse discrimination and seeing the token incompetence. I've seen a white guy CPA with 23 years experience be replaced by a black sorority sister only to fail the CPA examine 24 times. I took the IRS test. I scored a perfect 100%, I didn't get the job. Government workers are overpaid because they are incompetant black tokens. Facts are they caused 911 by the gorillic memo, they caused the 401K destruction do to their lack of brain power as banking regulators. facts are don't worry about tax collection under barak. black tokens don't work hard and will never figure out if your paying your taxes or not. there just happy going to work and sitting at there desk, and jiving, and shooting a game of hoops.

77. *Mohawk* Says:

[August 25th, 2009 at 11:27 am](#)

Comparisons often are easy. In my town we have public schools and parochial schools. The parochial school teachers receive nowhere near as much pay as the public school teachers, who also receive lavish pension and health insurance benefits the parochial school teachers don't receive.

Our county highway department recently hired two new engineers, who receive more in pay and perks than new engineers at the two private engineering firms in the county.

We have private driving schools and drivers ed through the public schools. Whose driving school instructors do you think receive more pay and perks, the private driving school instructors or the public school instructors?

78. *Charles R. Williams* Says:

[August 25th, 2009 at 11:29 am](#)

The devil is in the details and we have no details. My impression is that at the state level where public sector unionism is strong, public workers have a superior compensation package when benefits, working conditions, job security and salary are all taken into account. In many parts of the country government jobs are the only good jobs.

79. *Joe M* Says:

[August 25th, 2009 at 11:30 am](#)

Fascinating. Not much is said about WHERE these government salary dollars comes from. Taxes. I know that with the bending of the curve, a substantial percentage of us no longer pay in at the federal income tax point of entry, but that is beside the point (do not scream about FICA of Medicare-defined benefits, aka "insurance premiums" albeit from a ponzi scheme). So, where is wealth produced that fuels these salaries? Magically by fiat by adding shifts at the printing press of greenbacks? Or is it done by effort spent producing tangible items of value? Perhaps it is thru that evil word: Profit. From a little comes more. That differential is wealth in a nutshell. Governments do not produce wealth, they exist on the backs of the producers of wealth. I too worked within the government, through military service. As I entered the ranks of field grade, I also had civil service employees working for me. I do not begrudge them their value to my organization—it was vast. But, the salary paid came from somewhere—and that somewhere cannot be divorced from this discussion.

In short, if no one is producing the wealth—no one will pay those government salaries. There is a point of nihilism that ought to be apparent, accounted, and indeed, guarded.

80. *Njorl* Says:

[August 25th, 2009 at 11:45 am](#)

Well Rachel, considering the quality of your writing, your complete lack of a capacity for rational argument and your obvious racism, I'm glad my government is astute enough to pass you over for any promotion.

81. *Not as Stupid as Will Allen* Says:

[August 25th, 2009 at 1:35 pm](#)

Joe, since you are too stupid to know the difference between Ponzi and PayGo, the rest of your post can simply be ignored.

82. *D Bar* Says:

[August 25th, 2009 at 1:38 pm](#)

Out of curiosity, what would those curves look like if health insurance benefits are included? A major factor dampening real wage growth over the last thirty years has been the large increase in medical costs. Federal civilian wages are increasing at a steeper rate. Does the Federal Government pay less per employee on health insurance than private industry?

83. *annieR* Says:

[August 25th, 2009 at 1:53 pm](#)

I worked for the Federal government for 40 years. I have a Master's Degree. I retired seven years ago as a GS-9, making about \$45,000 a year. The chart should show the number of government employees who make less than the floor shown in the graph.

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