StAugustine.com

Letter: Recent analysis of federal pay and benefits is misleading

Posted: January 19, 2012 - 11:31pm

By BRUCE P. KADING

St. Augustine

Editor: It might be a good idea for The Record's editorial staff to fact check charts like the one accompanying a Jan. 15 guest column by Gerald Stevens. It took me only a few minutes on the Internet to determine that the figure Stevens cites as the average for federal employee pay and benefits, \$123,049, is the exact figure formulated by the ultraconservative Cato Institute in arguing for reductions in federal pay. Interestingly, the independent and nonpartisan FactCheck.Org investigated the claim and determined that it was bogus. The figure \$123,049 was "greatly inflated" because it inaccurately computed employee benefits. The Cato Institute also conveniently failed to include salaries of those in the military or postal service.

The chart is equally misleading in comparing government and private sector salaries because it fails to take into account the education and skill level required for a large percentage of federal government employees as compared to the private sector. For example, 44 percent of federal employees have a bachelor of arts degree compared to 18 percent in the private sector. The only fair way to compare salaries is to look at occupations with similar responsibilities. On that basis, the latest report from the Bureau of Labor Statistics found that federal employees received 26 percent less in salary than their private sector counterparts.

Stevens' figures for private sector pay is also distorted because it does not include the enormous amount of money that the wealthy receive in the form of capital gains, which is taxed at the rate of 15 percent. By not including one of the principal forms of compensation for the top one percent, who rake in more than 17 percent of the nation's income per year, Stevens' figures are not only incomplete, but very misleading.