

Are Federal Employees Parasites?

By Tom Shoop Friday, August 20, 2010 4:26 PM

In the ongoing [great debate](#) over federal compensation, both sides are officially at the point where they're talking past each other.

After OPM's [John Berry fired back](#) this week at critics of the government's official numbers, which show feds are underpaid by 22 percent, Tad DeHaven of the Cato Institute [issued a response](#). He raised the familiar arguments that Bureau of Labor Statistics data is faulty and salary comparisons fail to take into account generous federal benefits, and also said that government's relationship to the private sector amounts to "parasitism."

Here's DeHaven's development of that latter point:

According to the [Bureau of Economic Analysis] total federal wages and benefits amounted to \$240 billion in 2009. That's \$240 billion in economic resources extracted from the private sector. Given that the private sector has lost millions of jobs while federal employment continues to expand, defenders of federal pay can't just dismiss the critics as being "unfair."

Two thoughts on that:

Saying federal wages and benefits amount to "\$240 billion in economic resources extracted from the private sector," makes it sound like the private sector gets nothing for that investment. I wouldn't make the case that taxpayers necessarily get a full \$240 billion worth of value from the people whose salaries and benefits we fund, but every plane that lands safely, every National Park that serves as an economic draw for a region, and every small business person that is helped by a federal program shows that we get a lot more than zero. Saying "federal employment continues to expand" makes it sound like the workforce is on an unending path of growth. That's [just not the case](#). Federal employment has increased somewhat since it bottomed out before the Sept. 11 attacks (mostly due to an expansion in national security jobs -- anyone care to undo that?) but is still lower than it was in 1967.

(Hat tip: [Fedline](#))