

Libertarians call federal worker pay gap ‘appalling’

August 16th, 2010 ·

WASHINGTON – Recent data from the Bureau of Economic Analysis show that federal government workers get compensation, on average, more than twice as high as private-sector workers. That gap has expanded dramatically over the last decade. Libertarian Party Chair Mark Hinkle released the following statement today:

“The numbers are appalling. In 2009, the average private-sector worker received \$61,051 in total compensation, but the average federal government worker received \$123,049. There is no excuse for this enormous, and growing, compensation gap.

“I guess you just can’t beat a federal job. Very high pay, unbelievable benefits, extremely generous retirement plans, and near-perfect job security.

“And those retirement plans are often unfunded pensions, which will have to be paid by taxing our children and grandchildren, who never had the opportunity to vote when they were created.

“Apparently wishing to add insult to injury, government employee union reps have claimed that federal workers are entitled to their sky-high compensation because they are more educated and skilled than the rest of us. I have had many personal experiences with federal employees that indicate the exact opposite.

“The problem is that federal worker compensation is not set by the free market — it’s set by government fiat, which causes it to be artificially generous. Another factor is the monopoly government employee unions, which are able to extort that compensation up to even higher levels.

“One sure sign that federal employees are overpaid is that they never quit. Tad DeHaven of the Cato Institute has noted, ‘...in 2009, private sector employees quit at a rate that was more than eight times higher than federal employees.... This indicates that federal employees recognize that the generous combination of wages, benefits, and job security is hard to match in the private sector, so they stay put.’

“Libertarians support minimum government and maximum freedom. Unfortunately, federal employees have incentives to make government bigger, which makes us less free. With government employment paying more than the private sector, the rational self-interest of many workers will drive them to seek employment with the federal government.

“That’s a formula for disaster.

“Libertarians want productive people working in the private sector to build our economy, not working for the government and hurting our economy.

“I would like to see an across-the-board pay cut for all federal workers. That would reduce federal spending, reduce the deficit, and reduce the insult to American private-sector workers. It also just might encourage some federal government employees to quit their jobs and seek more productive work in the private sector.”

For more information, or to arrange an interview, call LP Executive Director Wes Benedict at 202-333-0008 ext. 222.

The LP is America’s third-largest political party, founded in 1971. The Libertarian Party stands for free markets and civil liberties.