

“ The government reaps what it sowed ”

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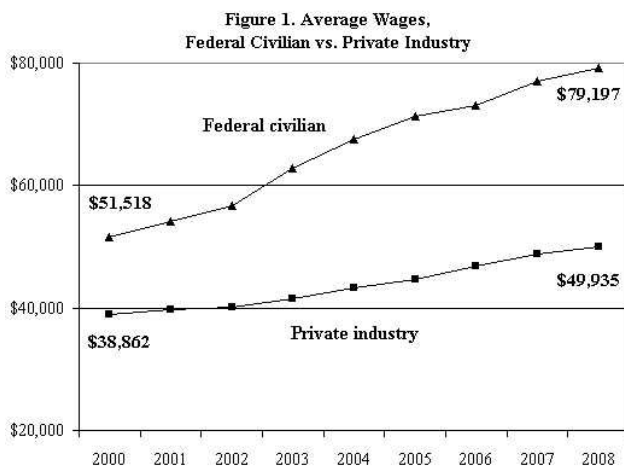
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Those rich government workers

Posted by: [Economist.com](#) | WASHINGTON

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LEXINGTON has been tipped off to a Cato chart and post that recently made the rounds in the economics blogosphere. It purports to demonstrate that profligate government is throwing excessive salaries around and paying workers out of all proportion to their value in private markets. Here's the chart:



The Cato post's author, Chris Edwards writes:

What is going on here? Members of Congress who have large numbers of federal workers in their districts relentlessly push for expanding federal worker compensation. Also, the Bush administration had little interest in fiscal restraint, and it usually got rolled by the federal unions. The result has been an increasingly overpaid elite of government workers, who are insulated from the economic reality of recessions and from the tough competitive climate of the private sector.

And Lexington adds:

Chris Edwards, the author of "Downsizing the Federal Government", points out that the average compensation (pay plus benefits) of a federal worker is now nearly \$120,000 a year, twice what private-sector workers make.

And that's in addition to cast-iron job security. A federal employee has only a 1 in 5,000 chance of being fired in any given year.

Just a thought, as the deficit explodes: can we afford such generosity?

I'm not the first to point out the serious logical flaw in Mr Edwards' argument, namely, that it entirely omits the issue of composition of the workforce. Federal employees tend to be well educated and they tend to work in expensive metropolitan areas. If Mr Edwards were to compare federal pay to either a subset of private employees with similar qualifications or workers in, say, the Washington metropolitan area, the federal pay packages would look pretty reasonable. Mr Edwards responded to these criticisms by noting that federal pay has risen more quickly than private pay, but that still neglects the composition angle. If pay for professionals and those in Washington has risen more rapidly than pay overall (and it has) this is precisely the result we'd expect to see.