



Want a Raise? Work for the Government

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It used to be that the way to get ahead was to work harder, work smarter, find your passion (*à la* Tony Robbins), marry the boss's daughter, or *be* the boss's daughter (or son). But, according to the latest study from the Cato Institute, the best way is to “sell your soul to the company store” (apologies, Johnny Cash): Work for the government. Preferably, the federal government.

Since the 1990s, federal government employees have enjoyed greater increases in salary growth than those in the private sector, with federal workers in 2014 earning 78 percent more, according to the latest report from Cato, entitled "Downsizing the Federal Government."

In 2014, based on numbers provided by the U.S. Bureau of Economic Analysis (BEA), the average federal worker in 2014 made \$84,153, compared to just \$56,350 in the private sector. But when benefits are added in, such as healthcare and pensions, the average federal worker's total compensation package jumps to \$119,934, 78 percent more than the private sector's average total comp of \$67,246.

This is more than workers make in the information technology, finance and insurance, and professional and scientific industries. Part of the vast difference is due to the increasing number of highly paid positions in federal agencies as they “become more top-heavy,” according to Cato. Part “is also fueled by routine adjustments that move federal workers into higher salary brackets” with the passage of time, regardless of performance. And part of the gap is caused by federal jobs “that are redefined upward into higher pay ranges.”

The argument that the government should have a high-end workforce fails when workers performing ordinary work are paid outsized salaries. For instance, the average compensation in the Department of Commerce's Economic Development Administration — a government agency that hands out business subsidies — is about \$140,000 a year. In the office of the Department of Agriculture's chief economist, the average salary is about \$174,000 a year.

The benefits package that federal workers receive is substantial, including health insurance, retirement health benefits, a pension plan with inflation protection, and a tax-favored retirement savings plan with the government matching workers' contributions. In addition, they receive outsized holiday and vacation benefits, flexible work hours, incentive awards, and, if necessary, generous disability benefits as well.

Lily Garcia, a human resources specialist, outlined that package for federal workers in an article in the *Washington Post* entitled “Uncle Sam Is a Boss You Can Rely On”:

Health Care: The Federal Employee Health Benefits Program offers the widest selection of health care plans of any U.S. employer. Federal employees also have access to vision and dental plans, life insurance, flexible spending accounts, and long-term care plans.

Paid Time Off: Federal employees enjoy liberal amounts of paid time off, including 13 days of sick leave per year, 10 paid federal holidays, and 13 to 26 days of paid vacation, depending on years of service.

Retirement Benefits: Federal employees have access to retirement benefits through the Civil Service Retirement System or the Federal Employee Retirement System. Under both plans, retired employees receive an annuity, which is complemented by Social Security benefits and participation in the Thrift Savings Plan that offers 401(k)-type investment options.

Family-Friendly Policies: Another notable benefit of federal employment is family-friendly policies, including flexible work schedules, telecommuting, part-time jobs, and job sharing. Not to mention the fact that federal employees enjoy first priority and subsidies at a number of top-notch day care facilities.

There are more than 2.1 million people working for the federal government, costing the American taxpayer nearly a quarter of a trillion dollars a year. The list of government agencies at Wikipedia runs 23 pages, along with the disclaimer that no one is really sure just how many federal government agencies there really are.

But state and local governments pay their workers more than the private sector as well, just not quite so handsomely. According to Cato, federal workers earn 43 percent more than state and local government employees, still well above the average private sector employee.

The federal “quit rate” and “fire rate” also reflect the job security of the cushy, highly-compensated federal jobs. Just one-half of one percent of federal civilian workers get fired in any given year for poor performance or gross misconduct, while the quit rate is one-quarter the quit rate in the private sector. In fact, the higher the compensation, the lower the fire rate:

For the senior executive service in the government, the firing rate is just 0.1 percent. By contrast, about two percent of corporate CEOs are fired each year, which is a rate 20 times higher than in the senior executive service.

The report from Cato doesn't include “double-dipping,” either, with some enjoying the benefits of “triple-dipping.” For example, a naval officer, retiring after 20 years, is often invited back to his same office, at his same desk, performing the same duties, only without the uniform. Another 20 years and he qualifies for a second pension, plus all the attendant health benefits. Plus Social Security. If the retired officer then hires back on as a consultant, he enjoys the “triple-dip” effect.

On the flip side, there are those who have figured out how to have the government work for them. One such person is Kiara, age 30, who lives in Baltimore. She has been on welfare since she was 18. She has four children, and receives \$780 in food stamps (SNAP) every month and \$500 in Temporary Assistance for Needy Families (TANF). She and her children are also covered by Medicaid and the special supplemental nutrition program for Women, Infants and Children (WIC), which helps her feed her children in addition to SNAP. She also lives in government-subsidized housing. [In a video on YouTube](#), she says she is very comfortable not

working and is happy to take the free money. As noted at the Wounded American Warrior website:

She sports a trendy bag (possibly a knock-off, maybe not), a cell phone (Obamaphone?), “bling” in the form of rings and earrings, and numerous tattoos, all of which cost money, and can’t be bought with welfare money, unless one engages in welfare fraud.

Cato’s study serves to remind just how costly government becomes when it slips its constitutional bounds. It also serves to suggest just how much better off the economy would be if all that highly-paid talent were engaged in the private sector instead of in government.