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The Sweet Gig of Being a Bureaucrat

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Here's a story that is emblematic of life in Washington, D.C.: The Department of Veterans Affairs—a well-known sinkhole of mismanagement—handed out more than \$142 million in bonuses last year. Taxpayers stumbling across this news might have been surprised by these rewards for bureaucratic incompetence, and perhaps they also got the sense that working for the federal government is a sweet gig. They're right.

A review of the nation's capital turns up ample evidence: In a report released last month, Cato Institute budget analyst Chris Edwards calculated that the average federal employee earned \$84,153 in 2014—roughly 50% more than the average worker in the private economy. When you include benefits like health care and pensions, the average federal worker's compensation rises to \$119,934—nearly 80% higher than everyone else. “The federal government has become an elite island of secure and high-paid employment,” Mr. Edwards wrote, “separated from the ocean of average Americans competing in the economy.”

Pay for federal employees has grown significantly faster than for private employees. The percentage difference between the two has doubled in the past 25 years. Federal work is more lucrative than the average jobs in finance, information and professional fields.

Moreover, the number of federal employees salaried at more than \$100,000 has grown by nearly 10% in the past five years, to more than 300,000. The 1,000 best-paid federal workers make a minimum of \$216,000, with most of the highest echelon working at Veterans Affairs. Employees of little-known agencies such as the National Credit Union Administration and the Farm Credit Administration also top the list.

The total cost to taxpayers of federal wages and benefits clocks in at \$260 billion. Much of this is concentrated in and around Washington, D.C.—and it shows. Six of the 10 richest counties in the country surround the nation's capital, according to the Census Bureau. The median household income in these counties ranges from about \$98,000 to \$118,000, excluding benefits.

It is nearly impossible to get fired from a job in D.C. A 2011 analysis by USA Today found that at many federal agencies—the Environmental Protection Agency, the Department of Housing and Urban Development, among others—you're more likely to die on the job than lose it. Thankfully, there's no waste, fraud or redundancy in the federal government, right?

Now compare the plush life of the bureaucrat with that of the average American. The median household income in September hovered a little above \$56,000. That is only 1% higher than in 2009 when the recession officially ended, and 0.5% lower than before the recession began.

Meanwhile, consumer prices increased 10.6% over the past six years. Small wonder that 62% of Americans are living paycheck to paycheck, according to a January analysis by Bankrate.com.

Yet Washington's success has no doubt contributed to America's troubles. The Competitive Enterprise Institute estimates that last year the ever-growing regulatory burden cost \$1.88 trillion. This translates into about \$15,000 a household. No one is spared from these hidden taxes, which lead to higher prices on everyday goods, fewer jobs, slower growth and more.

In other words, Washington, D.C., strides ahead while the rest of America falls further behind. The \$142 million in bonuses at Veterans Affairs are only the latest reminder.