

Federal pay losing ground compared to private sector, report finds

By Eric Katz

The pay gap between government employees and private-sector workers grew by about 8 percent this year in favor of private-sector workers, the Federal Salary Council announced Friday.

FSC, which assesses the locality pay program annually, concluded federal employees earn 34.6 percent less pay on average than their private sector counterparts. In 2011, that number was 26.3 percent.

The council attributes the growing gap to the continued federal pay freeze as well as a new formula the Bureau of Labor Statistics uses to track employment and salary figures.

Jacqueline Simon, public policy director for the American Federation of Government Employees and a member of the Federal Salary Council, said the new measure is more comprehensive in that it includes more occupations and localities. The results, she said, show a need to increase federal salaries.

"There is an undeniable pay gap in favor of the private sector and it should absolutely be addressed," she told Government Executive.

The report conflicts with some other studies that show federal employees earn more than those in the private sector. A July Government Accountability Office study concluded there is no definitive way to measure any potential gap.

The National Treasury Employees Union said in a statement that the other studies are from partisan think tanks and rely on "flawed data." Only the FSC report should be trusted, it said.

"This apples-to-apples comparison, which compares the predominantly white-collar federal workforce with similar private sector positions, consistently has shown a pay gap in favor of the private sector," the union said.

In calling for an end to the federal pay freeze, NTEU added that the study indicates Republican presidential nominee Mitt Romney's plan for the federal workforce is ill-advised.

"These findings reinforce the flawed approach of Gov. Mitt Romney, who has called for cutting federal compensation by 30 to 40 percent, while his running mate Rep. Paul Ryan drafted a budget resolution that would freeze federal pay through 2015," the union said. "All of this despite the fact that federal

workers have already contributed more than \$75 billion to deficit reduction and economic recovery through the pay freeze and increased pension contributions.”

President Obama has recommended a 0.5 percent increase in federal salaries, but recently signed a six-month continuing resolution that extended the pay freeze.

Joseph Beaudoin, president of the National Active and Retired Federal Employees Association, said the rising gap between public and private salaries will lead to a less qualified workforce.

“When it comes to the important jobs these men and women do for America, we can't afford a second-rate workforce,” he said in a statement. “Yet that's what's in store for us if we continue to devalue our federal workers.”

The council recommended adding 12 new locality pay areas, They are: Albany, N.Y.; Albuquerque, N.M.; Austin, Texas; Charlotte, N.C.; Colorado Spring, Colo.; Davenport, Iowa; Harrisburg, Pa.; Laredo, Texas; Las Vegas; Palm Bay, Fla.; St. Louis, Mo.; and Tuscon, Ariz.
