



## PROTECT *America's Heartbeat*



### ***Federal Employees Are Paid Less than Their Private Sector Counterparts***

A governmental board called the president's "pay agent" annually compares rates of federal pay to nonfederal pay. This report found that federal employees are ***paid 22% less*** than their private-sector counterparts. Federal employees accept this pay disparity in return for deferred compensation during retirement.

The non-partisan pay agent's report has used the ***same methodology for many years – through both Democratic and Republican administrations***. The pay agent's report ***accounts for differences*** in occupation, education, experience, length of service, age and geographic location. In other words, it distinguishes between workers such as a teenage McDonald's cashier in Idaho and an experienced attorney in New York City.

### ***Politicians Have Falsely Claimed That Federal Employees Are Paid More than Their Private-Sector Counterparts***

This is based off of a study from the Cato Institute, a Washington, D.C., ***libertarian think tank that advocates limited government***. Cato alleges that "the average federal civilian worker now earns twice as much in wages and benefits as the average worker in the U.S. private sector." These ***numbers are skewed, outdated and don't tell the full story***.

- SKEWED: When examining federal employees, the Cato study surveys both salary and retirement benefits. Meanwhile, when examining private sector jobs, they only survey salary.
- INCOMPLETE: The data also glosses over the important differences in occupation, skill level, age, and education that determine salaries in both the public and private sectors:
  - The federal government contains more higher-paying occupations and jobs that require greater qualifications than the private sector generally.
  - Federal civilian workers are more educated. 44.3% of federal employees hold bachelor's degrees, versus just 18.7% in the private sector.
  - The federal government workforce is becoming more professional and educated, and has a higher proportion of white-collar jobs. Today less than 10% of the federal workforce are blue-collar workers. Similarly, 44% of the federal workforce consists of professionals and managers, (compared to only 32% in the private sector).

### ***Federal Employees By-the-Numbers***

- Nearly 1-in-100 Americans is a federal employee – there are approximately 3.5 million full- and part-time federal employees who go to work every day in every state to support their communities. An additional 1.2 million retired federal employees live across America.
- 55% of federal employees are between the ages of 45-64 (compared to 36% in the private sector).
- 44.3% of federal employees have a college degree or higher education (compared to 29% in private sector).
- On average, today's federal employees have 14.6 years of service.
- 62% of federal employees earn between \$25,000-75,000 each year.
- Over time, the federal workforce has significantly shrunk compared to the overall U.S. population. In 1969, there were 3 million federal employees serving 203 million Americans. In 2009 there were 2.8 million federal employees serving 307 million Americans.
- 84.3% of federal employees work outside the DC metropolitan area – that's 2,392,742 jobs across the country. Only 12.6% of federal employees (356,545) serve inside the D.C. metropolitan area.

- The average age of employees in the federal work force is 45, while the average age in the private sector is 40; and
- Federal employees have more on-the-job experience than the average private-sector employee, with 60% of federal employees having served their nation for more than 15 years.
- OUTDATED: Lastly, the data includes the former Civil Service Retirement System that was used prior to 1987. These payments for former workers obviously don't benefit current workers, should not be included in their average total compensation, and are not similarly accounted for with the private sector data.