

Statement of Congressman Gerald E. Connolly

“Are Federal Workers Underpaid”

Subcommittee on Federal Workforce and the Postal Service

March 9<sup>th</sup>, 2011

Thank you, Chairman Ross for holding this hearing on the federal workforce. Fully half of the federal workforce will be eligible for retirement in the next five years, which means recruitment and retention of the next generation of civil servants will be a daunting challenge. To meet that challenge, we must fulfill two objectives: First, restore the stature of the civil service following demagogic attacks by some interest groups and politicians. Second, maintain pay and benefits that are competitive with the private sector. This hearing is about the latter, which is appropriate in light of the current pay freeze for federal employees and legislative proposals to dock pay even further.

Residents of the National Capital Region know federal employees generally are paid less than their private sector counterparts. That is one of the reasons many feds leave our workforce to work for private sector government contractors. Our anecdotal experience in this region corresponds to the best available data we have about the workforce as a whole. The Bureau of Labor Statistics has studied compensation for job categories in the federal workforce and the private sector and concluded that federal employees earn, on average, 24% less than their private sector counterparts for similar work. Recent research from the Economic Policy Institute, which I will enter for the record, shows that state and local employees also earn less than their private sector counterparts.

Yet the fact that federal employees get paid less for comparable work hasn't prevented demagoguery about federal employee pay, and some continue to repeat that falsehood that federal employees earn twice as much as private sector workers. This inaccurate statistic compares the relatively highly-educated, well-trained workforce against the entire private sector workforce, which has a much higher proportion of less skilled, less educated workers. More than 44% of federal employees have at least a bachelor's degree, compared to only 18.7% in the private sector. It is absurd to say that federal employees are overpaid when the average scientist at the National Institutes of Health or lawyer with the Department of Justice earns more (including retirement benefits) than our neighbors who are working at Wal-Mart or McDonalds. Moreover, claims that federal employees are overpaid ignores their valuable experience: 60% of civil servants have more than 15 years of federal experience.

Even organizations that have an anti-government agenda have finally acknowledged the need to compare pay for similar work. At a recent briefing hosted by the American Enterprise Institute (AEI) and the Heritage Foundation, Andrew Biggs and James Sherk acknowledged that highly-skilled, well-educated federal employees earn less than their private sector counterparts. These employees are essential for the efficiency of our federal government: They are finding cures for diseases at NIH, tracking down national security threats at the CIA, and protecting federal cybersecurity at DHS and other agencies.

I hope that we can use this hearing to bury, finally, those false claims that federal employees are overpaid. We cannot afford to let politics get in the way of rational personnel policy for the federal government. With the impending retirement of the Baby Boomers, the federal workforce faces a demographic challenge that cannot be met if Congress cuts federal pay and benefits while using the federal workforce as a punching bag. Instead, I look forward to working with all members of this subcommittee to institute the personnel policies that will allow us to recruit and retain a federal workforce that will continue to provide essential services, that are both high quality and efficient, for the public we serve.

For record:

Debunking the Myth of the Over-compensated Public Employee

Jeffrey H. Keefe

September 15, 2010

([http://epi.3cdn.net/8808ae41b085032c0b\\_8um6bh5ty.pdf](http://epi.3cdn.net/8808ae41b085032c0b_8um6bh5ty.pdf))