



NATIONAL FEDERATION OF FEDERAL EMPLOYEES, IAMAW, AFL-CIO



NFFE-IAM Opposes a Federal Pay Freeze, and Supports the Federal Adjustment of Income Rates (FAIR) Act (H.R. 4775/S. 2295)

Position: Federal employees have sacrificed a tremendous amount in the name of deficit reduction in recent years. They were forced to accept frozen pay from 2011 - 2013. Since then, annual adjustments have ranged between 1% and 2.1%, but as a whole the annual adjustments have lagged far behind private sector wage increases in the same time period. Years of substandard pay adjustments has led to federal workers making an average of 32% less than private sector workers performing the same jobs, according to the Federal Salary Council. This is unsustainable. The Federal Adjustment of Income Rates (FAIR) Act (H.R. 4775/S. 2295), introduced in January of this year, would provide federal workers - like VA nurses and doctors, U.S. Border Patrol agents, and USDA food inspectors - a modest, but much-needed, 3.0% average pay adjustment in 2019. Since 2011, federal employees have sacrificed over \$195 billion in the name of deficit reduction. Enough is enough. Federal workers deserve an adequate pay adjustment. NFFE-IAM strongly *supports* the FAIR Act.

Receiving annual pay adjustments that fail to keep pace with private sector wages year after year has been devastating to federal workers whose average pay now lags significantly behind workers performing the same jobs in the private sector. Federal workers have seen their buying power greatly eroded over the last eight years due to pay adjustments that were nonexistent or failed to keep pace with inflation. Passage of the FAIR Act would keep this worrisome trend from continuing in 2019.

Contrary to numerous myths circulated by non-government sources about federal employee compensation, federal workers are significantly underpaid when compared to workers performing the same jobs in the private sector. Based on data collected by the Bureau of Labor Statistics, and reported by the Office of Personnel Management, private sector workers continue to have a significant salary advantage over federal employees. This advantage has grown significantly in the last decade. This ballooning pay gap not only frustrates the federal workers at many of our critical government agencies, but it also discourages younger job-seekers from looking towards the federal government for stable, competitive employment.

While false reports of inflated federal compensation and a broad focus on deficit reduction have led to calls by some lawmakers to freeze or reduce federal pay, history shows that the underlying rationale for reducing federal compensation – that federal workers are overpaid – is not based in fact. In every administration since the Clinton administration, regardless of political party, the White House has acknowledged a double-digit pay discrepancy between federal employees and higher-paid private sector workers. In 2005, the President's Pay Agent reported that the public-private pay was just 13%. Today, the federal pay gap stands at 32%.

To keep our country on a sustainable path forward, federal agencies and departments must be able to recruit and retain a qualified and talented workforce. Providing inadequate pay adjustments year after year makes this difficult, if not impossible, to accomplish. As a result of the squeeze on federal workers' pay, morale in the federal workforce has fallen dramatically, and critical services to the American people are suffering.

Federal employees have made significant financial sacrifices in the name of deficit reduction - nearly \$100,000 per federal employee - which is hurting communities where federal employees reside across the country. This effects every congressional district and state. NFFE-IAM strongly *supports* the FAIR Act, which would give federal employees a fair pay adjustment of 3.0% in 2019.