



NATIONAL FEDERATION OF FEDERAL EMPLOYEES, IAMAW, AFL-CIO



NFFE-IAM Supports the Federal Adjustment of Income Rates (FAIR) Act (H.R. 757/S. 255)

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. Finally, in 2014, the pay freeze ended, but federal workers received a woefully insufficient 1% adjustment, well below the rate of inflation. And in 2015, they received another 1% adjustment. Years of paltry pay adjustments that fail to keep up with inflation has led to federal workers making an average of 35% less than private sector workers performing the same jobs. This is unsustainable. The Federal Adjustment of Income Rates (FAIR) Act, (H.R. 757/ S. 255), would provide federal workers like VA nurses and doctors, U.S. Border Patrol agents, and USDA food inspectors a modest but much-needed 3.2% pay adjustment in Fiscal Year 2018. Additionally, the bill authorizes a locality pay adjustment of 2% for 2018. Since 2011, federal employees have sacrificed nearly \$159 billion in the name of deficit reduction. Enough is enough. Federal workers deserve an adequate pay adjustment in FY18. NFFE-IAM strongly *supports* the FAIR Act.

Receiving just a 2% pay adjustment in a five-year span 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 five 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 2017 and 2018.

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 recent years. In 2013, private sector employees received 35% higher pay than federal employees working in similar jobs. 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 year of the last decade, regardless of political party, the administration in office has acknowledged a double-digit pay discrepancy between federal employees and higher-paid private sector workers. In fact, even before the effects of large federal spending cuts set in, President George W. Bush's President's Pay Agent certified a 23% percent pay gap. That's right; just a few years ago, President Bush certified that federal workers were drastically *underpaid*. They were underpaid then, and the rate of underpayment continues to grow.

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 make 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 sacrifices by accepting just a 2% pay adjustment in the last five years combined. NFFE-IAM strongly *supports* the FAIR Act, (H.R. 757/S. 255), to provide federal employees a modest, but much-needed, 3.2% across-the-board pay adjustment and 2% locality adjustment in 2018.