



## NATIONAL FEDERATION OF FEDERAL EMPLOYEES, IAMAW, AFL-CIO



### NFFE-IAM Supports the Federal Adjustment of Income Rates (FAIR) Act (H.R. 536 / S. 124)

**Position:** Federal employees have sacrificed a tremendous amount in the name of deficit reduction in the last decade. They were forced to accept several years of pay freezes, and paltry increases in other years. Federal employee wages continue to lag 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 22.5% 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. 536 / S. 124), introduced in 2023 would provide federal workers with a much needed 4.7% average pay adjustment and 4% increase to locality pay in 2024. Since 2011, federal employees have sacrificed over \$200 billion in the name of deficit reduction. Federal workers deserve an adequate pay adjustment especially considering rising inflation and costs of living. NFFE strongly *supports* the FAIR Act.

The country witnessed firsthand the panic and desperation of hundreds of thousands of federal workers as they struggled to pay for rents, mortgages, medications, heating, childcare, and food. While some in Congress mischaracterize federal workers as over-paid, the truth becomes obvious through the federal government's struggle to recruit and retain workers across the board. The 22.5% pay gap that favors the private sector is factual, and any disruption in pay or annuities to federal families is devastating. Public servants deserve better. At minimum, they deserve fair pay.

After years of pay freezes and followed by meager annual adjustments, federal workers have seen their incomes decrease by more than 15% with respect to inflation over the past decade. Based on the data collected by the Bureau of Labor Statistics 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 jobseekers from looking towards the federal government for stable, competitive employment.

In 2005, the President's Pay Agent reported that the public-private pay gap was just 13%. Today, the federal pay gap stands at 22.5%. So, federal workers have lost nearly 10% of pay relative to the private sector since 2005, and the methodology to calculate these gaps has been virtually unchanged. 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 affects every congressional district and state. **Support a 4.7% or greater pay increase and 4% increase to locality pay in 2023** consistent with the Federal Adjustment of Income Rates [FAIR] Act, sponsored by Rep. Connolly in the House and Sen. Schatz in the Senate.