How Chris Edwards launched the federal pay freeze

Cato Saves Taxpayers $90 Billion

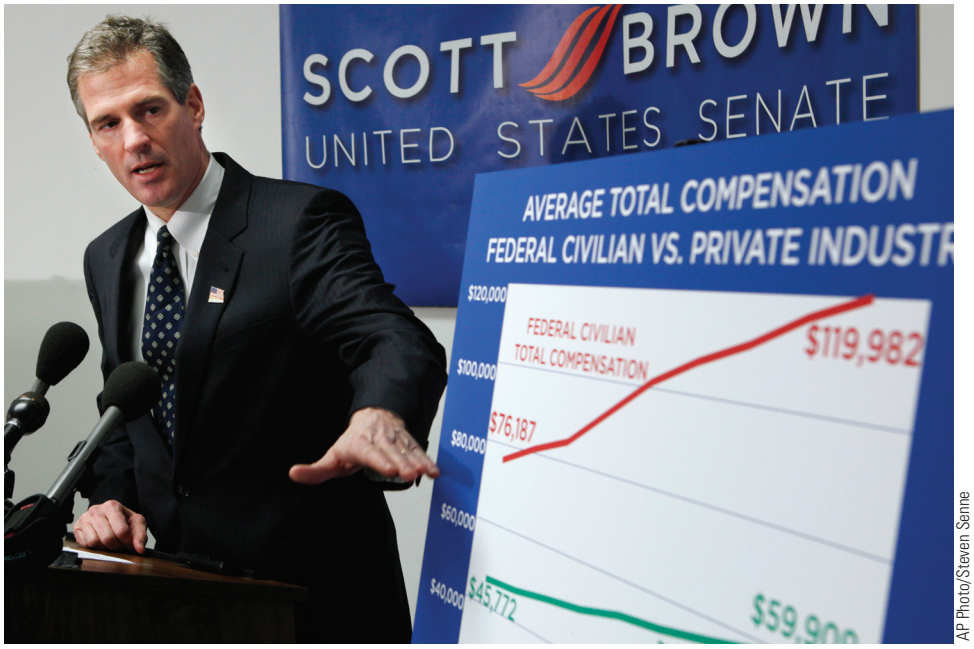
A modest victory for spending restraint has been the ongoing freeze in federal worker salaries. Since its enactment in 2010, the "freeze" has not fully stopped federal pay increases, but it has slowed the growth to save taxpayers about $90 billion over 10 years.

The original idea for the pay freeze was an August 2006 op-ed in the *Washington Post* by Cato scholar Chris Edwards. Edwards highlighted overlooked data that revealed rapid increases in federal wages and benefits under President George W. Bush. The op-ed was followed two days later by a *Wall Street Journal* editorial based on Edwards's work, which called the government "Club Fed" for its overly generous pay.

For years, unions had claimed that federal workers were underpaid compared to private-sector workers, but Edwards argued that the reverse was true. He wrote a series of blogs, opeds, and essays in subsequent years highlighting the federal pay advantage. The work was initially covered by inside-the-beltway news sources such as GovExec.com, *Federal Times*, and Fedsmith.com. Each story generated a flurry of angry responses by federal workers, their unions, and the head of the Office of Personnel Management, who didn't like being challenged.

The issue started to penetrate the broader media and the general public in 2009 and 2010. With the recession, struggling private-sector workers were angered by the unfairness of continuing government pay increases. And with Barack Obama in the White House, Republicans began putting more effort into spending restraint.

Edwards's finding that federal workers earned twice as much in total compensation as private sector workers, on average, was widely reported by the print media, TV news, and radio talk shows. Hundreds of news articles from 2009 to 2012 cited Cato's data and analysis of federal pay, including more than a dozen stories in the *Washington Post*, the most widely read publication among federal employees and members of Congress.



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At a press conference in Boston in 2010, then-U.S. Senate candidate SCOTT BROWN called for a federal wage freeze, using a chart from Cato's Chris Edwards to highlight his point. "Lavish pay and benefit packages have unfortunately become a way of life for public employees," he said. "It's time to bring fiscal sanity to Washington."

One of the first federal politicians to highlight the issue was Scott Brown, who won a special election for U.S. Senate in Massachusetts in January 2010. He campaigned for a federal pay freeze and used Cato's information to buttress his case. That fall, many tea party candidates running for House and Senate—such as Rand Paul—pushed for a pay freeze and other reforms to the federal workforce.

House Republican leader John Boehner called for a pay freeze that November, noting that "the average federal worker makes twice as much as the average private sector worker." Meanwhile, opinion polls were showing that a majority of Americans thought that federal workers were overpaid. Perhaps sensing the public mood and responding to the big tea party win in the 2010 elections, the president signed the pay freeze into law in December of that year.

One of the keys to this policy success was that Cato's work spurred veteran *USA Today* reporter Dennis Cauchon to study the issue. He penned a series of influential, often front-page, stories beginning in early 2009 comparing government pay to private pay. Cauchon—who is now retired—is a data expert, and he credits Edwards with convincing him to look at the federal pay issue.

Following the efforts of Edwards and Cauchon, scholars from the Heritage Foundation and American Enterprise Institute produced their own studies. Using sophisticated statistical techniques, they also concluded that federal workers were overpaid.

The Government Accountability Office examined the issue in a 2012 report, which featured Cato's work. And the annual budget from the Obama administration now includes a lengthy discussion of federal pay because of the "great deal of public scrutiny" the issue is now receiving.

Finding the right level of federal pay is a challenge, and no single study provides all the answers. But Cato's efforts were very successful in generating a national discussion about federal pay and providing a counterpoint to what had been an insider discussion dominated by the unions. ■

You can find an essay on federal pay and other spending cut ideas from Cato scholars at www.DownsizingGovernment.org.