



Federal Workers Undervalued, Underpaid as Private-Sector Wage Gap Widens & Purchasing Power Declines

The Issue

Federal employees are underpaid compared to private-sector workers doing similar jobs, and salaries have not kept pace with inflation due to years of pay freezes and miniscule adjustments. Providing federal employees with a 3.6 percent pay raise in 2020 would begin to restore their purchasing power and demonstrate our nation's commitment to the workers who keep our country running.

How We Got Here

Recognizing that federal agencies need to pay competitive wages to recruit and retain workers, Congress updated the federal pay system in 1990 to bring federal wages closer to those offered in the private sector. However, the required pay adjustments have never been funded, causing the wage gap to widen. Additionally, federal employees withstood three consecutive years of pay freezes at the start of this decade, followed by three years of tiny 1 percent adjustments, as the country struggled to recover from the Great Recession. Inflation rose 13.6 percent between 2011 and 2018, while federal wages rose just 6.4 percent during this time, resulting in a 7.2 percent decline in employees' purchasing power.

Why It's Dangerous

As the nation witnessed firsthand during the government shutdown, many federal employees live paycheck to paycheck and struggled to provide for themselves and their families as they went without pay for an unprecedented 35 days. Everyone in this country benefits from the programs and services federal employees deliver each and every day, and they deserve to earn a paycheck that recognizes their enormous value and contribution to our nation.

What We've Done So Far

In the bill that ended the shutdown, AFGE fought to include language that overturned President Trump's pay freeze and provided workers with a 1.9 percent pay raise this year.

What Needs to Happen Now

AFGE urges every member of Congress to cosponsor the Federal Adjustment of Income Rates Act (HR 1073, S 426), which would provide federal employees with a 3.6 percent pay adjustment in 2020, and to support the FAIR Act when it comes to a vote.

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