

Amendment , Section 4002 – Caps Hiring in the Federal Workforce for Five Years

Congress has led our nation down an unsustainable fiscal path and shed too many jobs along the way. The recession has eliminated 8 million jobs. Meanwhile, the federal workforce has been immune from the economic downturn.

This amendment would save \$13.5 billion (not including health and benefits, assuming a 1.6 increase) by placing a cap on new federal employees for five years. If new personnel are needed in the federal workforce, older positions will have to be eliminated to make up for the new costs.

The federal government has outpaced the private sector in job creation. According to Gallup, “by nearly a 2-to-1 margin, federal employees say their employer is hiring rather than firing.”

In comparison, state and local governments – more vulnerable to recessionary impacts and reductions in tax revenues – are downsizing.

In 2008, the Bureau of Labor Statistics (BLS) reported a loss of 3.65 million jobs in the private sector while government jobs increased nearly 150,000 during the same time period.

In 2009 BLS reported that as the private sector continued to shed jobs during the toughest months of the recession, public sector jobs increased.

The number of civilian federal employees is project to increase by over 150,000 to a total of 1.43 million this year.

Taxpayers are not getting the most bang for their buck as is as new federal hires are not being put to get use.

Former head of the Office of Federal Procurement Policy claimed new hires at one federal agency were given work that did not draw on their talents, they did not receive much training or attention from more senior staff, and the new hires reported getting few assignments and having days filled with down time.

USA Today recently compared federal and private salaries in comparable industries. It concluded that average federal salaries exceed average private-sector pay in 83 percent of comparable occupations.

Amendment , Section 4002 – Caps Hiring in the Federal Workforce for Five Years

Americans seeking employment have had little success since 2008, and our nation's economic outlook over the next five years is bleak at best.

Congress has led our nation down an unsustainable fiscal path and shed too many jobs along the way. Meanwhile, the federal workforce has been immune from the economic downturn.

This amendment would save \$13.5 billion (NOT including health care and benefits and assuming a 1.6 percent increase in workforce) by placing a cap on new federal employees for five years. If new personnel are needed in the federal workforce, older positions will have to be eliminated to make up for the new costs.

This will ensure the federal government operates within its means and is required to make the same tough choices that American businesses must make.

Instead of collecting more American tax dollars to spend on new government positions, Congress should put money back in the pockets of Americans. This is easily done by capping new federal hires as American businesses have been forced to do.

Congress has a tendency to address problems by adding layers of bureaucracy – thereby creating new programs and hiring new employees to run them.

The recession has eliminated 8 million jobs.¹

Jobs are scarce right now...outside of the federal workforce that is.

Average federal employment has increased 1.6 percent annually since 1999 without regard to the nation's economic conditions.

¹ http://www.usatoday.com/money/economy/income/2010-05-24-income-shifts-from-private-sector_N.htm

Assuming the 1.6% percent average increase over the last decade, this amendment would save \$13.5 billion.² This figure does NOT include savings from health care and benefits that would otherwise be spent on new hires.

The federal workforce is growing while private industry is shrinking.

Gallup released a survey (May 2010) that paints disturbingly different pictures in the public and private workforce. According to Gallup, “by nearly a 2-to-1 margin, federal employees say their employer is hiring rather than firing.”

Gallup concluded the federal government maintains a +18 Job Creation Index for the month of April 2010 compared with -28 among state and local government workers and only +9 in private sector industries.³

In comparison, state and local governments – more vulnerable to recessionary impacts and reductions in tax revenues – are downsizing, the federal government has not only sidestepped mounting fiscal pressures but has actually outpaced the private sector in job creation.⁴

USA Today recently reported, “Paychecks from private business shrank to their smallest share of personal income in U.S. history during the first quarter of [2010]...At the same time, government-provided benefits from Social Security, unemployment insurance, food stamps and other programs rose to a record high in the first three months of 2010.”

The article goes on to point out that this is an unsustainable trend as it is tax dollars from private salaries that fund the expansion in government services and spending.⁵

One publication explains the view of college students and the difficulty that graduates are encountering entering the workforce:⁶

With numerous companies laying off the workers, corporations scaling back non-essential expenditures, and further education like MBAs are less valuable than

² Based on figures from OPM historical employment rates in conjunction with CRS; See table.

³ <http://www.gallup.com/poll/127628/Federal-Government-Outpaces-Private-Sector-Job-Creation.aspx>

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⁵ http://www.usatoday.com/money/economy/income/2010-05-24-income-shifts-from-private-sector_N.htm

⁶ <http://www.thedailybeast.com/blogs-and-stories/2009-03-09/is-this-the-worst-year-to-graduate-college-ever/>

before, college graduates are increasingly seeking federal employment – an employment enclave immune from the economic downturn.⁷

Some universities are giving students hints about “recession proof” industries. For example, the article notes, “The University of Nebraska gives students information on jobs working for the federal government, which continues to grow at a torrid pace.”

This is a trend, not a coincidence.

In 2008, the Bureau of Labor Statistics (BLS) reported a loss of 3.65 million jobs in the private sector while government jobs increased nearly 150,000 during the same time period.⁸

In 2009 BLS reported that as the private sector continued to shed jobs during the toughest months of the recession, public sector jobs increased.⁹

A recent Washington Times article projects that 2010 does not look much better. The number of civilian federal employees will increase by over 150,000 to a total of 1.43 million this year.¹⁰

Some of the Feds' hiring increases have been stunning. When considering the four-year period from 2006 to 2010, the number of Homeland Security employees increased by 22 percent, the Justice Department has increased by 15 percent, and the Nuclear Regulatory Commission increased 25 percent. (These figures assume Congress adopts the President's FY 2010 budget without significant changes.)¹¹

Taxpayers are not getting the most bang for their buck as is.

Federal employment is riddled with waste and inefficiencies.

Former head of the Office of Federal Procurement Policy claimed new hires at one federal agency were given work that did not draw on their talents.¹²

⁷ <http://www.thedailybeast.com/blogs-and-stories/2009-03-09/is-this-the-worst-year-to-graduate-college-ever/>

⁸ <http://www.cnsnews.com/public/content/article.aspx?RsrcID=44662>

⁹ <http://www.cnsnews.com/public/content/article.aspx?RsrcID=44662>

¹⁰ <http://www.washingtontimes.com/news/2010/feb/23/obamas-federal-jobs-program/>

¹¹ http://www.cbsnews.com/8301-503983_162-5007862-503983.html

¹² http://www.govexec.com/story_page.cfm?articleid=44652&oref=todaysnews

Further, they did not receive much training or attention from more senior staff.¹³

He goes on to describe that the new hires reported getting few assignments and having days filled with down time.¹⁴

More broadly, there is over \$350 billion in waste, fraud, and abuse within the federal government.¹⁵

The federal government is a mirage economy, a false assurance of economic growth and job generation.

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One argument is that public salaries cannot compare with those in the private sector, because high public salaries are often a result of highly technical jobs or positions requiring high skill.

This was recently addressed by a *USA Today*, which reported that the movement towards six-figure salaries is occurring *throughout* the federal government, including jobs high-tech and low-tech jobs, not exclusive to one particular agency.¹⁶

Economic growth can only truly occur when it comes from the private sector – American ingenuity and innovation in technology.

¹³ http://www.govexec.com/story_page.cfm?articleid=44652&oref=todaysnews

¹⁴ <http://fcw.com/Blogs/Lectern/2010/02/steve-kelman-government-contractor-staff.aspx>

¹⁵ http://coburn.senate.gov/public/index.cfm?FuseAction=RightNow.Home&ContentRecord_id=4c7c8bcd-802a-23ad-406b-e0bfa401a0f8

¹⁶ http://www.usatoday.com/printedition/news/20091211/1afedpay11_st.art.htm?loc=interstitialskip

