



This chart by Mercatus Center Senior Research Fellow Veronique de Rugy uses data from the Bureau of Labor Statistics to compare changes in federal and private average annual wages this decade. To compare the *changes* in pay, annual wages for both categories have been indexed to their respective 2001 levels. Private annual average pay rates from 2001 to 2009 have been indexed and are shown in blue. In red are federal annual average pay rates from 2001 to 2009, indexed to their 2001 levels.

From 2001 to 2009 average annual private pay grew by 24.9%, and federal pay grew by 38.4%. This pay growth compounded an existing pay differential: in 2001 average annual federal pay was \$48,940 and average annual private pay was \$36,157. Initially higher federal and total government annual pay rates grew faster than private pay rates this decade.

Over the past decade, the private economy and its workers have struggled in the face of slowing growth. Federal wages have not been subjected to this wage competition, nor have they been tested by the state of the economy. Instead, many federal workers' pay (particularly for top earning federal employees) has continued to increase, simply because they stuck around.

Veronique de Rugy examines the [public-private pay gap](#).

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