

IV.

The Comparability Principle

In a special message to Congress in February 1962 President Kennedy advanced a Federal pay reform program based upon the concept of comparability—"reasonable comparability with prevailing private enterprise salaries for the same levels of work insofar as this is possible, as determined from painstaking statistical surveys and careful job comparisons."

The Congress responded with the passage of the Federal Salary Reform Act of 1962.¹ That act established as statutory policy that in Federal salary fixing (1) there shall be equal pay for substantially equal work in the several pay systems, and (2) salary rates should be comparable with private enterprise rates for the same levels of work. It also delegated to the President authority to adjust minimum rates of basic compensation and within-grade step increases in areas or locations where it was determined that statutory pay schedules were such as to handicap significantly the government's recruitment or retention of well-qualified persons.

On January 2, 1963, President Kennedy signed Executive Order No. 11073 directing Federal agency heads to "make maximum use" of the Federal Salary Reform Act of 1962, and establishing the procedures to be followed in achieving and maintaining the comparability prin-

ciple. The Director of the Bureau of the Budget and Chairman of the Civil Service Commission were directed to make an annual review of comparability and report their recommendations to the President by December 31 of each year. This review was to be based on the U. S. Bureau of Labor Statistics' annual National Survey of Professional, Administrative, Technical, and Clerical Pay. The Executive Order also delegated to the Civil Service Commission the authority to adjust minimum rates determined to be required for recruitment and retention, referred to above.

Between 1962 and 1967, Federal civilian employees received pay increases amounting to more than 23 percent. In April 1957, President Johnson in a special message to Congress proposed a three-stage plan to achieve "full comparability" by fiscal 1969. Pursuant to his recommendations the Congress passed the Federal Salary Act of 1967.² That act provided:

(1) a 4.5 percent across-the-board civilian employee pay increase, effective October 1, 1967;

(2) a second-step increase, effective July 1, 1968, designed to provide increases equal, as nearly as practicable, to one-half the remaining comparability "gap" (or at least three percent, where no comparability "lag" existed); and

1. Public Law 87-793.

2. Public Law 90-206, approved December 16, 1967.

(3) a further increase, effective July 1, 1969, to bring Federal pay up to full comparability with salaries in private enterprise.

The second-stage of this "full comparability" program, which went into effect in July 1968, provided increases ranging from 4.0 to 8.8 percent, and averaging 4.9 percent. The third-stage increase will average more than nine percent for classified or general schedule employees. In addition, military personnel received comparable pay increases on each occasion that civilian employee salaries were raised.

With the July 1, 1969 increase, Federal salaries will have been raised about 47 percent since 1962.

Application of the comparability formula has had rather dramatic effects. Some spokesmen for Federal employee organizations and others have pointed to a comparability "gap," because Federal salary levels are adjusted on the

basis of a Bureau of Labor Statistics salary survey which covers the year before that on which Federal salary adjustments are made. Nevertheless, application of the new formula has brought Federal salary increases which place Federal pay scales into a reasonable range of comparability with those of private industry.

Table 10 compares the increases in the average salaries of classified Federal employees with those in private industry, and with the increase in the consumer price index, in recent periods. The column showing the increases between July 1962 and October 1967, in particular, reflects the application of the comparability principle; however, the percentage increase in the average salaries of classified Federal employees does not reflect the average rise of 4.9 percent which became effective in July 1968 (or the much larger Federal pay boost scheduled to take effect in July 1969). There have, of course, also been increases in the salaries of non-Federal employees since 1967.

Table 10
Trends in Salaries, Selected Occupational Groups
Selected Periods, 1957 to October 1967

Group	Percentage Increase to October 1967 from		
	July 1957	July 1962	July 1966
Federal classified employees — average salaries	74.9	34.8	4.5
Factory production workers — average weekly earnings	39.5	18.1	2.2
Salaried workers in private industry — average monthly salaries:			
Accountants	n.a.	20.7	5.8
Attorneys	n.a.	21.8	4.0
Chemists	n.a.	23.2	5.5
Engineers	n.a.	21.2	5.4
Clerical	n.a.	18.1	6.1
Consumer price index	18.9	11.0	3.4

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table 11
Annual Federal Civilian Salaries, Lowest and Highest Schedules, As of July 1
Selected Years, 1956-1968

GRADE (Gs)	1956		1964		1968		PERCENT INCREASES			
	Lowest	Highest	Lowest	Highest	Lowest	Highest	1956-1968		1964-1968	
							Lowest	Highest	Lowest	Highest
1	2,690	3,455	3,385	4,420	3,889	5,057	44.5	46.3	14.8	14.4
2	2,960	3,725	3,680	4,805	4,231	5,501	42.9	47.6	14.9	14.4
3	3,175	3,940	4,005	5,220	4,600	5,981	44.8	51.8	14.8	14.5
4	3,415	4,180	4,480	5,830	5,145	6,684	50.6	59.9	14.8	14.6
5	3,670	4,885	5,000	6,485	5,732	7,456	56.1	52.6	14.6	14.9
6	4,080	5,295	5,505	7,170	6,321	8,221	54.9	55.2	14.8	14.6
7	4,525	5,740	6,050	7,850	6,981	9,078	54.2	58.1	15.3	15.6
8	4,970	6,185	6,630	8,610	7,699	10,012	54.9	61.8	16.1	16.2
9	5,440	6,655	7,220	9,425	8,462	11,000	55.5	65.2	17.2	16.7
10	5,915	7,130	7,900	10,330	9,297	12,087	57.1	69.5	17.6	17.0
11	6,390	8,110	8,650	11,305	10,203	13,263	59.6	63.5	17.9	17.3
12	7,570	9,290	10,250	13,445	12,174	15,828	60.8	70.3	18.7	17.7
13	8,990	10,710	12,075	15,855	14,409	18,729	60.2	74.8	19.3	18.1
14	10,320	12,040	14,170	18,580	16,946	22,031	64.2	82.9	19.5	18.5
15	11,610	13,335	16,460	21,590	19,780	25,711	70.3	92.8	20.1	19.0
16	12,900	13,760	18,935	24,175	22,835	28,000	77.0	103.4	20.5	15.8
17	13,975	14,335	21,445	24,445	26,264	28,000	87.9	88.7	22.4	14.5
18	16,000	16,000	24,500	24,500	28,000	28,000	75.0	75.0	14.2	14.2

Source: U.S. Civil Service Commission.

Table 11 shows the lowest and highest pay levels for fiscal 1968, and selected earlier years, for classified employees in each General Schedule grade. This table also serves to highlight the trend of Federal pay levels as affected by adoption of the comparability formula in 1962.

Between 1963 and 1968 pay levels in the first four grades increased from 19.8 percent in the lowest level to 24.4 percent in the top step of grade four. Increases in the middle grades, five to ten, rose from 25.5 percent at the lowest step to 27.2 percent at the highest, while in the higher grades the increases ranged from 26.8 to 43.4 percent.

Whereas in 1962 only employees in grade 11 or above could achieve a

\$10,000 salary level, by 1968 employees in grade eight or above could reach that mark.

A statutory ceiling of \$28,000 was imposed on classified or General Schedule salaries by the pay act of 1967. Therefore, even though the plan promulgated by the President in July 1968, based on the comparability survey, included raising the top salary in the "supergrade" positions (grades 16, 17, and 18) to \$30,239, the top pay remained at \$28,000. However, Congressional acceptance of proposed increases in top-level pay scales, early in 1969, had the effect of raising this ceiling to \$30,000, and the anticipated July 1969 increases will further increase the pay maximum for these grades.

V.

Top-Level Executive Compensation

Salaries of the top-level elective and appointive officials of the Executive, Legislative, and Judicial branches have historically been set by statute.

In 1926 Members of Congress were paid \$10,000 annually, and Cabinet officers, \$15,000. Justices of the Supreme Court were compensated at a \$20,000 annual rate. In 1946 Supreme Court Justices were increased to \$25,000, and Members of Congress to \$15,000. Cabinet officers' salaries were raised to \$22,500 in 1949. In 1956 the salaries of these officials were increased as follows: Justices of the Supreme Court to \$35,000, Cabinet officials to \$25,000, and Members of Congress to \$22,500. A 1964 statute provided a further increase to \$39,500 for Justices of the Supreme Court, \$35,000 for Cabinet officers, and \$30,000 for Members of Congress.

The Federal Salary Act of 1967 brought a significant innovation: establishment of a Commission on Executive, Legislative, and Judicial Salaries, to review the rates of pay of these and other top-level officials every four years and recommend adjustments to the President. Thereafter, the procedure is for the President to submit his recommendations, based upon the commission's report, in his regular budget message. Then, unless disapproved by action of either House of Congress within thirty days, the recommended pay levels automatically become effective.

The Commission on Executive, Legislative, and Judicial Salaries submitted its first report late in 1968, and the President presented his recommendations with his January 1969 budget message. Under these recommendations, which the Congress permitted to become effective early this year, the salaries of principal top-level elective and appointive officials were increased substantially (see Table 12).

Other top Legislative and Judicial branch officials — such as the Comptroller General of the United States, Librarian of Congress, Public Printer, Architect of the Capitol (and their deputies), commissioners of the Court of Claims, and Referees in Bankruptcy, were given comparable increases.

The December 1968 report of the Commission on Executive, Legislative, and Judicial Salaries also recommended increased salaries for the Vice President, the Speaker of the House of Representatives, the Majority and Minority Leaders of both Houses of Congress, and the President Pro Tempore of the Senate; such action required special legislative approval. Based upon the commission's report, the President proposed increases from \$43,000 per annum to \$62,500 for the Vice President and the Speaker, and from \$35,000 per annum to \$55,000 for the other Congressional leaders. Legislation to provide such increases was passed early in 1969 by the House of Representatives.

Table 12
Salaries of Principal Top-Level Federal Officials
As of 1969

Officials	Former pay rate	New pay rate
President	\$100,000	\$200,000(a)
Cabinet officers	35,000	60,000
Members of Congress	30,000	42,500
Heads of major executive agencies	30,000	42,500
Under Secretaries, etc.	29,500	40,000
Assistant Secretaries, etc.	28,750	38,000
Heads of Bureaus, Boards, etc.	28,000	36,000
Chief Justice of the United States	40,000	62,500
Associate Justices of Supreme Court	39,500	60,000
Judges, Circuit Court of Appeals Court of Claims; Court of Military Appeals; Court of Customs and Patent Appeals	33,000	42,500
Judges, U.S. District Courts; Customs Court; Tax Court; and Director, Administrative Office, U.S. Courts	30,000	40,000

a. Approved January 1969 (Public Law 91-1).

The pay increases for its membership and other officials which the Congress had permitted to become effective earlier in 1969 drew unfavorable reaction from the public, and the new procedure for setting Congressional and other top-level pay levels also drew criticism, both outside and within the Congress. As a result, when the measure to increase the pay of the Vice President and Congressional leaders was brought up in the Senate, influential opposition developed. A proposal to hold up all increases except that of the Vice President drew considerable support, and an amendment to repeal the provision of law establishing the Commission on Executive, Legislative, and Judicial salaries was adopted. At this point, the handlers of the legislation moved to return it to committee; the motion carried, thus killing the bill for the present.

Other Allowances to Members of Congress

In addition to their own pay, Members of Congress (and Federal judges) are provided staff salary allowances. Members of the Senate receive staff allowances ranging from \$199,280 to \$338,400 per annum, depending upon the population of the state represented. House members each receive varying salary allowances, averaging about \$87,000 per member. Allowances for stationery, long distance telephone and telegraph, mail, etc., also are provided.

Federal tax laws allow deductions of up to \$3,000 per year for Members of Congress for living expenses in Washington, D. C. In addition to the pay increases proposed early in 1969, there was also a recommendation that this expense deduction be increased to \$5,500.

VI.

Retirement and Other Employee Benefits

As in the private sector, it would doubtless be difficult to obtain a consensus as to what constitutes employee benefits, or what are commonly called "fringe benefits." Perhaps a partial yardstick is provided in a discussion of the civil service retirement fund appearing in the 1968 *Annual Report* of the U. S. Civil Service Commission: "The retirement system is part of a total salary package that gives Federal employees about 76 percent of their compensation in basic pay and the rest in fringe benefits which include, among others, leave, health insurance, life insurance, and retirement."

In any event it is difficult to obtain data as to costs of many such benefits, or "supplementary compensation," available to Federal civilian employees.

It is at least equally difficult to make comparisons of the cost of such benefits for Federal employees with those provided in private enterprise. Appendix Table A-5, from a recent U. S. Bureau of Labor Statistics survey, provides a comparison of relative expenditures for supplementary compensation in selected industries in 1966 with those in the Federal government in fiscal 1967. Obviously, changes and improvements in some of the practices may have occurred since this table was prepared. Furthermore, any such comparisons can be subject to a variety of interpretations.

Civil Service Retirement

While there are other retirement systems for special groups of Federal em-

ployees, the Civil Service Retirement System covers more than 90 percent of all civilians employed by the Federal government. In 1968, 2,600,000 employees were covered. Monthly annuities were being paid to approximately 600,000 retired employees and 250,000 survivors at a total cost approaching \$2 billion a year.

Federal employees under this system currently may retire with full annuities at age 55 after at least 30 years of service, at age 60 with 20 or more years of service, or at age 62 with more than five years of service. Retirement is now compulsory at 70 with 15 years of service, though extensions may be granted in some cases.

Annuity levels are based on the employee's highest 5-year average salary, but no annuity may exceed 80 percent of that average. The substantial increases in Federal salaries, particularly since the mid-1960's, will considerably enhance the annuities of the employees who retire in the future.

Career employees who leave government service involuntarily are entitled to immediate annuity benefits if they have served at least 25 years, or after a minimum of 20 years if 50 years of age or over—though the annuity is reduced for those under age 55. Credit is given in most cases for military service.

Table 13 sets forth basic annual civil service retirement annuities, for selected pay levels, computed under the basic formulas.

Since 1948 the system has also provided for survivor annuities to widows and dependent children of employees whose death occurred while in service and who served at least five years. Such benefits amount to 55 percent of the employee's earned annuities, with variable benefits for surviving children (up to age 21 if the child is in school).

Cost-of-Living Annuity Adjustments

Not included in the annuity levels shown in Table 13 are cost-of-living increases which benefit present retirees and are likely to provide higher annuities for many future retirees.

Cost-of-living adjustments were originally provided in the Federal Salary Reform Act of 1962¹. Then in 1965 Public Law 89-205 provided that cost-of-living adjustments in civil service retirement annuities should become effective automatically whenever the consumer price index exceeds by three percent or more, a specified "base month" level for three consecutive months. This provision has given retirees two cost-of-living increases—one of about 3.9 percent in

January 1967 and another of 3.9 percent in May 1968. A third increase, also 3.9 percent, became effective in March 1969.

Thus, a Federal employee whose highest 5-year average salary was \$15,000, and who retired after 30 years service, would receive a basic annuity of \$8,438 (see Table 13). If he had retired prior to January 1967, he would by now have received the three cost-of-living increases previously mentioned, and would currently be receiving an annuity approaching \$9,500.

Status of the Retirement Fund

While Federal retirement costs continue to increase, the status of the Civil Service Retirement Fund is precarious, to the point where the Civil Service Commission has warned that the financial security of future retirees is in jeopardy. At the close of fiscal 1968 there was an unfunded liability of more than \$52 billion—excluding an increase resulting from the July 1968 pay increase—with a balance of \$18 billion in the Fund.

1. Public Law 87-793, approved October 1962.

Table 13
Basic Civil Service Retirement Annuities for Selected Pay Levels
June 30, 1968

Highest 5-year average salary	Years of creditable service				
	15	20	25	30	40
\$ 3,500	\$ 956	\$1,306	\$1,656	\$2,006	\$2,706
5,000	1,313	1,813	2,313	2,813	3,813
7,500	1,969	2,719	3,469	4,219	5,719
10,000	2,625	3,625	4,625	5,615	7,625
15,000	3,938	5,438	6,938	8,438	11,438
20,000	5,250	7,250	9,250	11,250	15,250

Source: U.S. Civil Service Commission.

Barring a change in present financing practices, the Commission warns that by 1974 disbursements will exceed receipts; by 1987 the present balance will be exhausted. Because of recently enacted pay and annuity increases, the fund deficiency is expected to exceed \$57.5 billion by June 30, 1969.

While employees have contributed the share required of them by law, and the government has paid in substantial sums, the Commission reports there have not been the "regular, systematic contributions" in amounts sufficient to cover the liberalizations in benefits. The difficulty is compounded, the Commission stated in recent testimony before a Senate committee, by the fact that "Every time we increase salaries by \$1, we are increasing the unfunded liability by \$2.50."

Efforts to Strengthen the Retirement Fund

The Civil Service Commission has proposed, with little success to date, a plan to improve the status of the retirement fund. Recently, however, the Committee on Post Office and Civil Service of the House of Representatives approved legislation which includes provisions to improve the financing and funding practices of the system². The Committee's report identifies the major causes of the fund deficiencies as: (1) creditable service for which neither the employer nor the employee contributed; (2) general wage increases which result in benefits based upon higher levels of salaries than those upon which at least a portion of contributions was based; (3) liberalizations applying to benefits based on past and/or future service, without a commensurate increase in contributions; and (4) loss of interest income which

would have been earned if the accrued liability had been fully funded.

The Committee-approved measure seeks to improve the financing of the retirement fund by (1) increasing employee deductions from 6½ percent to 7 percent (to 7¼ percent in the case of congressional employees, to match the contributions rate of Members of Congress), with matching increases in agency contributions; (2) authorizing appropriations in equal annual installments over a 30-year period to amortize any newly created unfunded liability incurred by enactment of future legislation; and (3) proposing permanent indefinite appropriations, beginning on a modest scale in 1971 and increasing each year until in 1980 and thereafter the amount transferred to the fund from general revenues will be the full equivalent of interest on the unfunded liability, the purpose being to meet the obligation for the unfunded liability incurred through legislation enacted in the past.

This civil service retirement financing measure also, however, includes certain provisions increasing retirement benefits. First, it would reduce the average pay computation period on which the basic retirement is based from the five highest years to the three highest. It would also include for service computation purposes the length of service represented by the calendar value of unused sick leave remaining to the credit of a retiring employee. And finally, it would amend the existing provision for automatic cost-of-living adjustments to add one percent to all such future adjustments, on the ground that such an increase would compensate for the period which elapses between the required rise in the consumer price index and the subsequent payment of the increase in

2. H.R. 9825, House Report 91-158, 91st Congress, 1st Session.

benefits. It would also provide increased survivor annuities.

There has been some criticism of these benefit provisions on the ground that, while the bill seeks to establish that the government pay the costs of future increases in the unfunded liability of the retirement fund occasioned by liberalization of benefits, it provides that none of the liberalizations mentioned in the preceding paragraph would be subject to this financing requirement.

Other Benefits

Overtime Pay. Federal employees paid at the minimum scale of grade GS-10 or below are paid time and a half for overtime work, subject to a maximum limit. Above the GS-10 scale, the maximum rate for overtime is \$6.70 per hour. Employees paid at the maximum rate in that grade, or below, may receive overtime pay or compensatory time off. In the case of employees above that pay scale, the agency decides whether to pay for overtime or give compensatory time.

Annual and Sick Leave. Under present policies, annual leave is earned on the basis of length of service (including military service). Full-time employees with under three years of service are entitled to 13 days per year. Those with service up to 15 years earn 20 days leave each year; with 15 or more years of service the entitlement becomes 26 days. All full-time employees are entitled to 13 days sick leave per year.

Federal employees may accumulate annual leave of up to 45 days in the case of overseas employees, and up to 30 days for other employees. There is no ceiling on accumulation of sick leave. Upon leaving the Federal payroll, employees

receive lump-sum payments for accumulated annual leave. Payments are not made for unused sick leave.

Severance Pay. Employees involuntarily separated from the payroll are eligible for severance pay under the following formula: one week's pay for each of the first 10 years of service, plus two weeks' salary for each additional year of service, plus an age adjustment—10 percent of basic severance pay for each year above 40 years of age.

Group Life Insurance. The Federal Salary Act of 1967³ liberalized benefits under the Federal Group Life Insurance program. Employees earning \$8,000 or less annually now are entitled to \$10,000 of life insurance coverage; those at higher salary levels are entitled to coverage approximately equal to their annual pay plus an additional \$2,000 coverage, up to a maximum of \$32,000.

The premium rate paid by the employee for this insurance is currently 27½ cents bi-weekly per \$1,000 of insurance, and the government's contribution is one-half the amount paid by the employee. Employees also may purchase an additional \$10,000 of insurance by paying the entire cost with premiums adjusted according to the age of the employee.

Travel Allowances and Moving Expenses. Federal employees on travel assignments are reimbursed for transportation expenses and are entitled to per diem subsistence expense of \$16 per day. A maximum 12 cents per mile allowance is allowed for those using their own cars. Those using motorcycles are entitled to mileage at the rate of eight cents per mile. The per diem for most overseas travel exceeds the \$16 per day maximum, based upon living standards

3. Public Law 90-206, approved December 1967.

and costs in the country in which travel takes place.

Subject to certain statutory limitations and regulations, Federal employees are also paid for expenses incident to moving when transferred from one station to another for permanent duty. These expenses include transportation of household goods and personal effects, up to 11,000 pounds, and a per diem allowance for lodging and meals while enroute (for the employee's immediate family).

An employee and his spouse may also be entitled to transportation and per diem allowances for one round trip to locate a new residence; and the expenses of occupying temporary quarters for up

to 30 days may also be provided in certain instances. Expenses incurred for selling or buying a house, or settling an unexpired lease, are also reimbursable.

Other. Holiday leave, workmen's compensation, and unemployment compensation are also provided for Federal employees. Health benefits are available under more than 30 participating plans, on a voluntary contributing basis, with the government also contributing to the cost.

Federal employees generally are not eligible for the Federal Old-Age, Survivors, and Disability or the Health Insurance for the Aged (Medicare) programs.

VII. Related Issues

Payroll and related costs are already a very large element of total Federal expenditures. Further increases in Federal employment, the recent rounds of salary increases, and the trend toward upgrading of employees, will each push such costs even higher.

The adoption and implementation of the comparability principle may also have significant implications for Federal payroll costs. Future salary increases will almost certainly be affected more fully and more quickly than in the past by wage determinations in the private sector through collective bargaining agreements and market forces.

One result is already apparent. Positions in the Federal service are more sought after, and the Federal government is now recognized as a major competitor in the personnel recruitment field.

Some questions about the comparability formula remain. It deals, at least to a great extent, with the comparability of pay in private industry with that for similar work in the Federal service. Whether it may widen a "comparability" gap within the government service remains to be seen. All employees at the same grade and pay levels will presumably benefit equally from comparability pay increases in the future. But one worker may be performing in outstanding fashion, while another's performance could be just average, and still another's mediocre. In many cases at least, the measurement of achievement and productivity is much more difficult

in government than in private enterprise. Compensation can get, and remain, out of line (on the high side) with accomplishment.

Intergovernmental Aspects

In the past two decades, Federal grants, aids and other programs have brought the state-local governments into much closer working relationships with the national government in countless areas. Federal and state-local employees now often work side-by-side in cooperative programs. Proposals have been advanced to provide Federal assistance for training and for exchange programs with state-local employees. There have even been suggestions that the Federal government provide financial assistance to encourage and assist state-local governments to increase the salaries of their employees; for many gaps exist, and some are substantial.

In any event, the increasingly close and cooperative relationships, combined with the recent rounds of increases in Federal salaries, seem likely to raise questions about disparities in the pay levels of Federal and state-local employees in some areas. State-local budgets will feel the effects.

Government Employee Organizations

Federal employee organizations, or unions, are becoming increasingly influential. At the close of fiscal 1968 some 45 percent of the Federal workforce

were covered by exclusive union recognition agreements, according to the Civil Service Commission. Such agreements apply to about 90 percent of postal employees, 54 percent of tradesmen and laborers, and almost one-quarter of the classified civil service employees. The number of non-postal workers covered more than doubled in the 1965-1967 period.

Wilfred V. Gill, Director of the Commission's Office of Labor-Management Relations, recently commented: "The impact of (Federal unions) on Federal personnel administration is considerable. Some good, some bad—but none inconsequential."¹

While law prohibits strikes against the government, and while Federal employee unions cannot negotiate salaries and other conditions of employment set by the Congress, unions, as the Civil Service Commission points out, "still have something in the neighborhood of a hundred different items of substance to bring to the bargaining table." It also states: "With state and local employees defying antistrike laws in pressing their demands for higher pay and additional fringe benefits, it is not surprising that strike talk should spread to the Federal service. . . . During the last six years,

there have been fifteen actual incidents of potential strike, work stoppage, slowdown, or picketing in violation of the law. All but three have been averted."²

Possible Inflationary Effects

Finally, in a period when attention is being directed to the control of inflationary pressures, there arise questions as to the role of the Federal government. In the period since 1962 Federal officials have exhorted private industry and labor to hold down wage and price increases. Yet in this same time span Federal salaries (with the 1969 "comparability" increases) will have increased by about 47 percent. Similar, or even larger, increases have been given to Members of Congress, Cabinet and sub-Cabinet officers, Federal judges, and other top-level officials.

All this occurred during periods of significant budget pressures, even when the imposition, and now the extension, of an income tax surcharge, was being advocated to combat inflationary pressures. As a result complaints and warnings have come from some quarters to the effect that the government itself may be setting an example which works against its own anti-inflation policies.

1. *Challenge and Change*, Annual Report of the U. S. Civil Service Commission, Fiscal 1968.

2. *Ibid.*

Appendix

Table A-1
Classification of Federal Civilian
Employment by Full-Time and
Other Status

As of June 30, 1954-1968

Year	Total employ- ment (a)	Full-time permanent	Other (a)
1954	2,346,710	2,224,439	122,271
1955	2,397,268	2,267,587	129,681
1956	2,398,470	2,277,449	121,021
1957	2,416,083	2,285,156	130,927
1958	2,382,237	2,243,459	138,778
1959	2,382,807	2,254,786	128,021
1960	2,398,705	2,252,742	145,963
1961	2,435,808	2,304,631	131,177
1962	2,514,196	2,384,477	129,719
1963	2,527,960	2,400,174	127,786
1964	2,500,492	2,384,439	116,053
1965	2,527,941	2,414,951	112,990
1966	2,759,019	2,595,770	163,249
1967	3,002,461	2,809,105	193,356
1968	3,055,212	2,901,965	153,247

a. Full-time equivalent.

Source: U.S. Civil Service Commission.

Table A-2
Comparison of Full-Time Equivalent Employees—Private Industry and
Federal Government (Civilian)

1960 and 1967

	1960	1967	Percent increase
Number of full-time equivalent employees: (thousands)			
All private industry	46,676	54,105	15.9
Federal Government, civilian	1,745	2,087	19.6
Average annual earnings per full-time employee:			
All private industry	\$4,759	\$6,230	30.9
Federal Government, civilian	5,895	8,008	35.8
Source: U.S. Department of Commerce, Office of Business Economics.			

Table A-3
Major Federal Pay Acts—1948-1968

Act	Effective date
Federal Employees Salary Act of 1948	June 30, 1948
Classification Act of 1949	October 28, 1949
Federal Employees Act of 1951	July 8, 1951
Federal Employee Salary Increase Act of 1955	February 28, 1955
Federal Executive Pay Act of 1956	June 30, 1956
Federal Employees Salary Increase Act of 1958	January 1, 1958
Federal Employees Salary Increase Act of 1960	July 1, 1960
Federal Salary Reform Act of 1962 Compensation Schedule I	October 11, 1962
Federal Salary Reform Act of 1962 Compensation Schedule II	January 1, 1964
Federal Employees Salary Act of 1964	July 1, 1964
Federal Employees Salary Act of 1965	October 1, 1965
Federal Employees Salary Act of 1966	July 1, 1966
Federal Salary Act of 1967	October 1, 1967
Federal Salary Act of 1967 First Step Comparability Increase	July 1, 1968
Federal Salary Act of 1967 Second Step Comparability Increase	July 1, 1969
Source: U.S. Civil Service Commission.	

Table A-4
Salary Ranges for General Schedule and
Postal Field Service Schedule Employees
By Grade, July, 1969

GENERAL PAY SCHEDULE										
GS—	1	2	3	4	5	6	7	8	9	10
1	\$3,889	\$4,019	\$4,149	\$4,279	\$4,408	\$4,538	\$4,668	\$4,798	\$4,928	\$5,057
2	4,360	4,505	4,650	4,795	4,940	5,085	5,230	5,375	5,520	5,665
3	4,917	5,081	5,245	5,409	5,573	5,737	5,901	6,065	6,229	6,393
4	5,522	5,706	5,890	6,074	6,258	6,442	6,626	6,810	6,994	7,178
5	6,176	6,382	6,588	6,794	7,000	7,206	7,412	7,618	7,824	8,030
6	6,882	7,111	7,340	7,569	7,798	8,027	8,256	8,485	8,714	8,943
7	7,639	7,894	8,149	8,404	8,659	8,914	9,169	9,424	9,679	9,934
8	8,449	8,731	9,013	9,295	9,577	9,859	10,141	10,423	10,705	10,987
9	9,320	9,631	9,942	10,253	10,564	10,875	11,186	11,497	11,808	12,113
10	10,252	10,594	10,936	11,278	11,620	11,962	12,304	12,646	12,988	13,330
11	11,233	11,607	11,981	12,355	12,729	13,103	13,477	13,851	14,225	14,599
12	13,389	13,835	14,281	14,727	15,173	15,619	16,065	16,511	16,957	17,403
13	15,812	16,339	16,866	17,393	17,920	18,447	18,974	19,501	20,028	20,555
14	18,531	19,149	19,767	20,385	21,003	21,621	22,239	22,857	23,475	24,093
15	21,589	22,309	23,029	23,749	24,469	25,189	25,909	26,629	27,349	28,069
16	25,044	25,879	26,714	27,549	28,384	29,219	30,054	30,889	31,724	32,559
17	28,976	29,942	30,908	31,874	32,840					
18	33,495									

POSTAL FIELD SERVICE PAY SCHEDULE												
PFS—	1	2	3	4	5	6	7	8	9	10	11	12
1	\$4,522	\$4,673	\$4,824	\$4,975	\$5,126	\$5,277	\$5,428	\$5,579	\$5,730	\$5,881	\$6,032	\$6,183
2	4,889	5,052	5,215	5,378	5,541	5,704	5,867	6,030	6,193	6,356	6,519	6,682
3	5,286	5,462	5,638	5,814	5,990	6,166	6,342	6,518	6,694	6,870	7,046	7,222
4	5,715	5,905	6,095	6,285	6,475	6,665	6,855	7,045	7,235	7,425	7,615	7,805
5	6,176	6,382	6,588	6,794	7,000	7,206	7,412	7,618	7,824	8,030	8,236	8,442
6	6,675	6,898	7,121	7,344	7,567	7,790	8,013	8,236	8,459	8,682	8,905	9,128
7	7,216	7,457	7,698	7,939	8,180	8,421	8,662	8,903	9,144	9,385	9,626	9,867
8	7,802	8,062	8,322	8,582	8,842	9,102	9,362	9,622	9,882	10,142	10,402	
9	8,434	8,715	8,996	9,277	9,558	9,839	10,120	10,401	10,682	10,963		
10	9,101	9,404	9,707	10,010	10,313	10,616	10,919	11,222	11,525	11,828		
11	10,110	10,447	10,784	11,121	11,458	11,795	12,132	12,469	12,806	13,143		
12	11,233	11,607	11,981	12,355	12,729	13,103	13,477	13,851	14,225	14,599		
13	12,478	12,894	13,310	13,726	14,142	14,558	14,974	15,390	15,806	16,222		
14	13,864	14,326	14,788	15,250	15,712	16,174	16,636	17,098	17,560	18,022		
15	15,404	15,917	16,430	16,943	17,456	17,969	18,482	18,995	19,508	20,021		
16	17,114	17,684	18,254	18,824	19,394	19,964	20,534	21,104	21,674	22,244		
17	19,011	19,645	20,279	20,913	21,547	22,181	22,815	23,449	24,083	24,717		
18	21,122	21,826	22,530	23,234	23,938	24,642	25,346	26,050	26,754	27,458		
19	23,467	24,249	25,031	25,813	26,595	27,377	28,159	28,941	29,723	30,505		
20	26,071	26,940	27,809	28,678	29,547	30,416	31,285	32,154				
21	28,976	29,942	30,908	31,874	32,840							

Source: U.S. Civil Service Commission.

Table A-5
Supplementary Compensation in Selected Industries
and in the Federal Government
1966-1967

Compensation practice	Expenditures as a percent of basic wages and salaries	
	Private industries (a)	Federal government
	Calendar 1966	Fiscal 1967
Total, all supplements except penalty pay	24.5	23.8
Total paid leave except sick leave	8.1	11.5
Vacations and holidays	7.9	11.2
Vacations	5.0	8.2
Holidays	2.8	3.0
Civic and personal leave	.2	.4
Health benefit programs	4.9	5.2
Legally required work-connected disability programs	.7	.4
Other legally required programs	(b)	(c)
Sick leave	.9	3.4
Life, accident, and health insurance	3.3	1.4
Retirement programs	8.6	6.8
Legally required programs	3.9	.3
Private pension and retirement plans	4.7	6.5
Unemployment programs	1.5	.3
Legally required programs	1.3	.2
Payments to employees	.1	.1
Payments to funds	.1	(c)
Nonproduction bonuses (including awards)	1.1	.1
Savings and thrift plans	.3	(c)

a. Industry coverage is the same as for the BLS national survey of professional, administrative, technical, and clerical pay (the data relate to nonoffice workers as well as to office and related workers in both private industry and government).

b. Less than 0.05 percent.

c. No such program in Federal government.

Source: *Employee Compensation in Selected Industries, 1966*, U.S. Department of Labor, Bureau of Labor Statistics (Report 352), November 1968.