



July 7, 2022

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

On behalf of the National Treasury Employees Union, which represents approximately 150,000 federal employees in 34 agencies, I want to thank you for your commitment to federal employees and other workers throughout the country and urge you to ensure that federal workers receive an average 5.1 percent pay increase for 2023.

Lagging federal pay rates have taken their toll on federal employees and their families over the last few years, with their pay raises trailing increases to private sector wages. Like all American workers, federal employees face ever-increasing costs for their utilities, health care, food, housing and education. This has only been exacerbated by inflation, which increased to 8.6 percent in May, the highest level since 2001 according to the Bureau of Labor Statistics. As noted in your FY 2023 budget request, between 2009 and 2020, U.S. average worker pay rose by 38 percent while federal civilian pay increases amounted to only a 15 percent increase, creating a real risk of attrition within the existing workforce, reducing the competitiveness of federal jobs, and devaluing the contributions of the federal workforce to the Nation. The resulting 23.22 percent average pay disparity between the federal government and the private sector is far greater than the 5 percent goal set by the Federal Employee Pay Comparability Act of 1990 (FEPCA), which governs annual white-collar federal employee pay adjustments and sets those adjustments based on changes in the Employment Cost Index (ECI), i.e., changes in private sector wages and salaries.

Under FEPCA, federal workers should receive a 4.1 percent pay increase for 2023 before locality pay is added. NTEU appreciates that you included an average a 4.6 percent pay increase for federal employees in your budget request. However, given the years of pay freezes and below-market pay adjustments combined with the steep rise in inflation, NTEU urges you to increase that amount when you issue your alternative pay memo and provide an average 5.1 percent pay increase, equal to that proposed by Representative Gerry Connolly (D-VA) and

Senator Brian Schatz (D-HI) in the Federal Adjustment of Income Rates (FAIR) pay (H.R. 6398/S. 3518). Under that legislation, federal employees would receive a 4.1 percent across-the-board adjustment and an average 1.0 percent increase for locality pay, which is particularly important for those living in high cost of living areas where the competition with the private sector must be more aggressive.

Competitive pay helps ensure a professional, skilled workforce is on board administering our nation's laws and programs. Federal employees, who live and work in every state and congressional district across the country, have been on the job throughout the pandemic, sometimes at great personal risk to themselves and their families, serving as scientists, accountants, customer service representatives, park rangers, and law enforcement officers, and providing critical services for our nation and the American people. The federal government must provide competitive pay and benefits to recruit and retain talented employees. And thanks in part to your economic policies, the unemployment rate has been significantly reduced, making efforts to recruit and retain skilled workers even more competitive. For example, private sector employers such as Exxon, PricewaterhouseCoopers LLP, Microsoft, and T.Rowe Price are reportedly raising salaries or providing special bonuses to address the impact of inflation on their workers and a tough labor market. If the federal government wants to compete for top talent, it needs to offer competitive pay and benefits. Increasing the proposed pay adjustment for 2023 is a great way to help do that.

Thank you for your commitment to the federal workforce and your efforts to ensure that employees are treated with dignity and respect. We hope we can count on you to provide federal workers with a competitive pay increase for 2023.

Sincerely,

A handwritten signature in black ink that reads "Anthony M. Reardon". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Anthony M. Reardon  
National President