

Impacts on the Federal Workforce

The shutdown jeopardized both the income stability of Federal employees and their ability to focus on important agency missions that citizens rely upon each day.

During the shutdown, hundreds of thousands of Federal employees did not receive their full paychecks, including many who were legally required to work during the lapse. Also, due to expiration of a statutory provision that was in effect during the shutdown in 1995-1996, excepted employees (who were legally required to work during the lapse) were not eligible to apply for unemployment benefits to help meet any immediate cash flow needs. While all Federal employees have now been compensated for the period of the shutdown, the burden this placed on families was significant and avoidable.

It is also important to note that the shutdown came on top of an unprecedented three-year pay freeze for Federal employees as well as furloughs and other reductions that resulted from sequestration earlier this year.

The shutdown and sequestration-related furloughs risk undermining the competitive advantage government agencies have traditionally used in recruiting and retaining a talented workforce – income stability provided by civil service jobs, and a calling to the important work of public service. Notably, surveys have shown that compensation and the nature of the work are the top two considerations of students as they weigh job options.¹¹ This allows the government to be competitive for many high skill jobs where the private sector enjoys other advantages.

Reports from news outlets highlighted the challenges shutdown presents for both retaining current employees and the recruiting top talent for the future. For example, as one EPA employee told the Washington Post “We love public service. We’re very committed to our jobs and the mission of our agency. But it’s just too unstable.”¹² Federal contractors are also worried about hiring in an environment of heightened uncertainty. Gregory Bloom, the president of a small business that works on design and engineering for NASA, told the Washington Post, “Trying to get the best and the brightest to come join a company that specializes in national defense or NASA-supported activities and not being able to tell them that they’re going to have a job in six months is a real tricky challenge

¹¹ National Association of Colleges and Employers’ 2012 Student Survey Report, accessed October 18, 2013 at

¹² Hendrix, Steve. *Halved Paychecks Force the Furloughed to Slash Expenses and Take Loans, Second Jobs*; The Washington Post. October 10, 2013. Accessed on October 18, 2013 at http://articles.washingtonpost.com/2013-10-10/local/42902098_1_second-jobs-retirement-savings-paychecks

for us. What keeps coming back to us is ‘why go work in national defense or aerospace when we can go to Google and know that we’re going to have a job?’”¹³

Studies have shown that – above all else – employees of all stripes value an ability to make progress each day in their job. The Federal government is fortunate to have such a high percent of its employees willing to put in extra effort to get a job done (96 percent in the latest survey). However, at the end of the day, the government shutdown risks seriously damaging the ability to attract and retain the kind of driven, patriotic Americans to public service that our citizens deserve and that our system of self-government demands.

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¹³ Yeager, Holly. *Federal Shutdown Starts Affecting America Beyond Government Workers*; The Standard Examiner. October 11, 2013. Accessed on October 18, 2013 at <http://www.standard.net/stories/2013/10/11/federal-shutdown-starts-affecting-america-beyond-government-workers>

Appendix Table 1: Estimated Employee Furlough Days by Agency

Major Agencies	Total Employee Furlough Days (Thousands)
Department of Defense	1,600
Department of the Treasury	985
Department of Agriculture	737
Department of the Interior	646
Department of Health and Human Services	449
Department of Commerce	312
Department of Homeland Security	303
Department of Justice	200
Department of Transportation	198
National Aeronautics and Space Administration	192
Environmental Protection Agency	167
Social Security Administration	150
Department of Labor	147
Department of Housing and Urban Development	91
General Services Administration	85
Department of Veterans' Affairs	77
Smithsonian	62
Department of Education	44
Small Business Administration	24
Equal Employment Opportunity Commission	23
National Archives and Records Administration	21
Federal Communications Commission	19

EMBARGOED UNTIL 3:00PM EST THURSDAY, NOVEMBER 7, 2013
Impacts and Costs of the October 2013 Federal Government Shutdown

National Labor Relations Board	18
Nuclear Regulatory Commission	18
National Science Foundation	16
Executive Office of the President	14
Broadcasting Board of Governors	7
Commodity Futures Trading Corporation	7
Office of Personnel Management	7
Corporation for National and Community Service	6
Railroad Retirement Board	5
Export-Import Bank	4
Department of State	4
Federal Deposit Insurance Corporation	1
Department of Energy	1
Government-Wide Total	roughly 6.6 million