13. STRENGTHENING THE FEDERAL WORKFORCE

"My Administration is committed to protecting, empowering, and rebuilding the career Federal workforce so they can bring more resources to bear in service of the American people."

—President Biden

More than four million dedicated individuals, civilian and military, work for the Federal Government, serving the American people, in all types of occupations and in locations across the Nation and around the world. This chapter describes the Administration's resolute commitment to rebuilding the civilian Federal workforce as it seeks to be a model employer and to enable Federal agency mission and performance, with its approximately 2.2 million employees. The chapter outlines the current state of the Federal workforce, provides both historic and contemporary analysis and data, and highlights the Administration's leading workforce priorities, strategies, and initiatives.

As the Nation looks ahead to the future, together employers and workers are striving to chart a new path forward for the American workplace. In the Federal sphere, the President's Management Agenda (PMA), with its focus on strengthening and empowering the Federal workforce, prioritizes human capital strategies designed to deliver Federal organizational performance through the successful promotion of service and delivery outcomes for our people, thereby bolstering trust in our Government. Federal offices and workers will be positioned to take on the challenges before them as they work to rebuild our Nation. This will be accomplished by creating more equitable employee engagement experiences across departments and agencies, improving the hiring experience and processes to efficiently onboard Federal talent, attracting the right talent to the right roles, and promoting diversity, equity, inclusion and accessibility across all human capital activities.

The Budget advances the PMA's workforce priorities and strategies by providing resources for Federal workforce initiatives that will aid our organizational capacity rebuilding efforts.

Namely, the Budget makes the following historic workforce investments to:

- Provide an average pay increase of 5.2 percent for both civilian and military employees, assuring fair and equitable compensation needed for recruitment and retention of skilled talent and proposes action to alleviate growing pay limitations that threaten the viability of the civilian workforce harming public access to robust, modern, and agile Federal programs;

- Promote general investment in departments and agencies to sustain well-resourced human capital

functions capable of rebuilding and strengthening the workforce;

- Expand and bolster Federal strategic agency hiring capacity by advancing "Talent Teams" and promoting the use of pooled hiring actions leveraging scalability and vigorous employee assessments including Subject Matter Expert Qualification Assessments (SMEQA);

- Promote recruitment and bring onboard the most qualified employees, including by prioritizing robust early-career and internship program pipelines;

- Prioritize implementation of agency crafted strategic diversity, equity, inclusion and accessibility (DEIA) plans designed to embed a new workplace culture in routine actions and practices; and

- Provide stable and predictable funding for reimagined and reinvigorated Federal Executive Boards (FEBs) to strengthen the Federal workforce, better communicate and execute management and workforce priorities, and encourage cross-agency local community engagement.

In addition to these investments, the PMA sets out four key strategies to strengthen and empower the Federal workforce.

Strategy 1: Attract and hire the most qualified employees, who reflect the diversity of our country, in the right roles across the Federal Government

The Administration has made significant progress putting into place key elements to drive successful hiring reforms, with a sustained focus on fostering a more resilient and inclusive workforce and building more diverse and equitable hiring pipelines that will enable agency mission and service delivery to the American public.

Recruiting Highly Qualified Talent

People are a critical ingredient in mission success for Federal agencies. The Federal workforce is the first priority of the PMA, ensuring consistent focus on investment in programs and policies that allow agencies to more easily and effectively recruit for needed talent. This work to fill talent needs includes a focus on strategic outreach to a broad set of communities across the Nation, including to those who have not yet considered Federal service; and spans internships and early career positions, through leadership levels and across mission-critical occupations.

The Administration believes one of the most impactful ways to rebuild the Federal Government's lagging early-career talent pipeline is to revive Federal internship programs. Internships and apprenticeships have been an ongoing focus of the President's Management

Council (PMC) and are called out in Strategy One of the PMA Workforce Priority. There are a number of current programs and authorities available to agencies to bring on interns and apprentices, and these opportunities are often underutilized. Benefits of paid internship and apprenticeship programs include increasing the chances of students' gaining a full-time position after graduation, improving our ability to hire diverse candidates, allowing agencies to train employees for specific business needs and critical skillsets, and serving as a trial period for agencies and interns to determine if the individual is a good fit for permanent employment. The 2023 Budget supported the hiring of 35,000 interns across the Government, and the Administration is on track to meet this goal. Key guidance has been issued to agencies on how to hire paid interns, and the Office of Personnel Management (OPM) has developed a dedicated internship portal at INTERN. USAJOBS.gov. The PMC internship working group continues to lead, guide, and refine improvements to internship policies and procedures, including working with OPM to reduce barriers to hiring a diverse group of paid interns and bolster Federal internship programs. This initiative is augmented by work in the PMA to develop a recruitment community of practice. In the Budget, the Administration proposes to further sustain and grow opportunities for interns, apprentices, and early career talent – particularly paid opportunities—to ensure equitable access and by supporting agency efforts to incorporate internships into routine workforce planning.

In addition to the heightened need and commitment to recruit interns and early career talent, Federal agencies face recruitment and retention challenges in other mission-critical skill areas, such as information technology, cyber, and digital talent, as well as human resources (HR). To support and achieve important hiring goals, we must start by bolstering our capabilities across human capital support functions—such as HR specialists, Talent Teams, learning and development professionals, and employee engagement managers. Over the last five fiscal years, retention rates for HR management professionals have consistently trailed the Government-wide average retention rate (69.7 percent compared to 77.2 percent). For the first time, the Budget supports creation of a senior executive position at OPM dedicated to the development and career pathing for the HR workforce.

In 2022, to recruit people with critical skills, agencies created over 4,000 recruitment campaigns and posted over 750 recruitment events to attract job seekers to their job opportunity announcements, and over 900,000 job seekers made their resumes searchable to hiring managers and HR professionals in the USAJOBS.gov Agency Talent Portal. OPM also expanded opportunities to retain and develop current workers by leveraging USAJOBS Open Opportunities to post nearly 700 opportunities for current Federal employees to develop and grow their professional skills and experience – all while keeping their current Federal jobs. These activities will be continued and scaled up, as a focus area in the PMA.

To help accelerate the recruitment of qualified talent into Government, OPM and the Office of Management and Budget (OMB) are supporting a number of pooled hiring initiatives across agencies and partnering with the executive councils and agencies to recruit talent for mission-critical occupations, early career opportunities, and other critical positions. In addition, the Federal network outside of Washington, D.C., will be engaged in these efforts through the FEBs, as described further below.

Improving the Effectiveness of the Hiring Process

The Federal Government relies on its workforce to deliver on its mission for the American people. To ensure a highly qualified workforce, agencies have continued to build on efforts to develop Talent Teams, develop technical assessments and use subject matter experts (SMEs) to identify talent, and leverage economies of scale through pooled hiring actions to surge talent to meet agency mission needs. Supported by the Budget, agencies will continue to build a foundation to reframe merit-based competitive hiring by focusing on streamlining applicant, hiring manager, and HR professional experience through skill-based hiring. This work is further enabled by OPM guidance on Executive Order 13932, "Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates" and forthcoming technical tools in USAJOBS and USA Staffing to enable SME participation in the qualifications process, and to allow easier sharing of qualified applicant lists across agencies. In total, these efforts are designed to help managers consider the most qualified applications and hire quality candidates, while also allowing applicants who are qualified but not ultimately selected to still receive offers from other Federal agencies.

To help agencies scale these best practices, OPM created a Hiring Experience (HX) Group dedicated to providing technical resources, supporting Talent Teams, and coordinating pooled hiring actions. Throughout 2022, OPM and OMB worked with agencies to conduct Government-wide pooled hiring actions and to pilot the first use of the Competitive Service Act that allows agencies to share hiring certificates (certs). Pooled hiring actions using technical assessments have resulted in improved applicant experience as well as increased hiring manager satisfaction, as they are able to bring in the talent they need. This also helps to decrease the number of public announcements without any selections and supports swifter applicant placement. Across Government, agencies have leveraged pooled hiring to select customer experience strategists, industrial/organizational psychologists, grants management specialists, contract specialists, and data scientists. HX will continue to work with agencies to streamline the process for HR specialists, applicants, and hiring managers to ensure more pooled hiring actions and shared cert actions become part of the Government-wide hiring toolkit, along with custom assessments to identify skills and competencies.

In addition, the Budget provides for consistent support to agency Talent Teams, designed to inject targeted strategic hiring practices and operations at the employing agency level, and for agencies to adopt the use of improved assessments. As more than 26 agencies have begun standing up and hiring into Talent Teams, they can

the policy of the Administration to be a model for DEIA, where all employees are treated with dignity and respect. Throughout 2022, Federal agencies built and kicked off implementation of strategic and customized action plans to drive forward the Executive Order's Federal sector goals.

In September 2022, the Chief Diversity Officers Executive Council kicked off its inaugural interagency meeting, which will facilitate sustaining a national strategy for DEIA across Federal agencies and the workforce. Chaired by OPM, and with OMB and the Equal Employment Opportunity Commission serving as Vice Chairs, the Council advises agency leadership on promising practices in DEIA. A primary function of the new Council is to monitor agency implementation of DEIA plans through progress milestones, which are holistically aligned with the Executive Order, OPM's Government-wide DEIA Strategic Plan and the PMA. In December 2022, the first Government-wide summit for DEIA was held, titled, *"A Whole-of-Government Approach to Disability Employment,"* featuring academia, non-profit and private sector organizations, and Federal leaders sharing promising practices and innovative strategies to improve employment for people with disabilities in the Federal workforce. By infusing robust DEIA practices into routine recruitment and retention actions and adopting these modern employer human resource techniques, the Federal Government will expand and enhance its talent pool.

The use of data to measure outcomes is essential for high-performing employers and effective performance,

with new agency metrics for pay equity, employment rates of underrepresented racial and ethnic groups and disability inclusion, as well as broader recruitment, hiring, and retention rates to be reported and analyzed to help inform prioritization of future workforce improvements. In 2022, OPM updated the Federal Employee Viewpoint Survey (FEVS), which it administers annually to solicit feedback from Federal employees regarding their views about their current work environment, management policies and other workplace initiatives, to include a new DEIA metric, along with additional, new demographic questions.

In 2022, more Federal employees identified as members of historically underrepresented groups than in prior years. According to data from OPM from September 2022, the Federal civilian workforce self-identified as 60.5 percent White; 18.2 percent Black; 9.8 percent Hispanic of all races, a slight increase from 9.54 percent last year; 6.7 percent Asian/Pacific Islander; 1.6 percent Native American/Alaskan Native; and 2.1 percent more than one race. Men make up 55.6 percent of all permanent Federal employees, and women represent 45 percent, which is up from 43.9 percent in September 2020. Veterans make up 29.4 percent of the Federal workforce, which is significantly higher than the percentage in the private sector non-agricultural workforce. 18.4 percent of all Federal employees self-identify as having a disability, which includes the approximately 2.5 percent who have a "targeted disability," such as blindness. Table 13-1 shows the staffing trends since 2016.

The Federal workforce has an average age of 47 years. Almost 29 percent (625,828) of employees are older than

Chart 13-1. Potential Retirees to Younger than 30 Employees: Federal Workforce
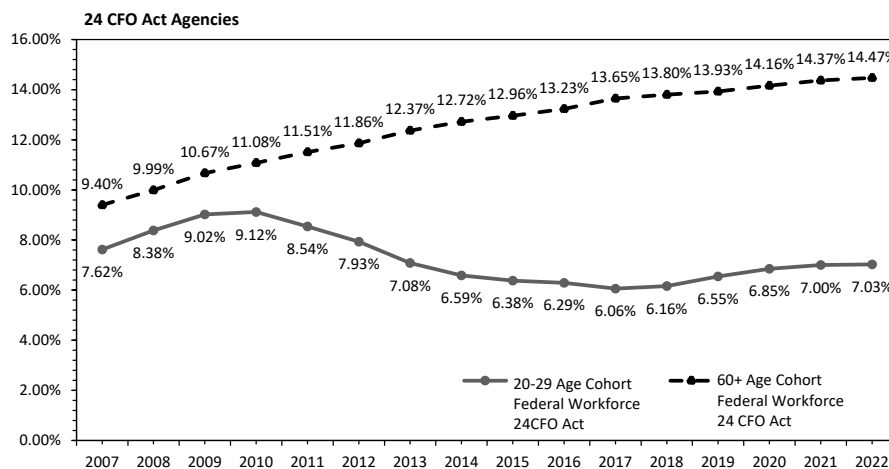
60+ Age Cohort Percentage of Federal Workforce increases from 2007 to 2021 while 20-29 Age Cohort Percentage of Federal Workforce declines from 2007 to 2021.

Source: FedScope FY2007-2022 (Annual September Employment Cubes).
Data Filter: Job Series excludes nulls, Work Schedule includes only "F", Work Status includes only Non-Seasonal Full-Time Permanent, Age Cohort excludes less than 20 and unspecified, 24 CFO Act Agencies only.
Data Range: FY2007-2021, Age Cohorts 20-29, 30-39, 40-49, 50-59, and 60+.

Table 13–1.   HIRING TRENDS SINCE 2016

Federal Civilian Workforce	SEP 2016	SEP 2017	SEP 2018	SEP 2019	SEP 2020	SEP 2021	SEP 2022
Total Federal Workforce Count*	2,097,038	2,087,747	2,100,802	2,132,812	2,181,106	2,191,011	2,180,296
Average Age	47.1	47.2	47.1	47.1	47.0	47.0	47.0
Total Under 30	7.88%	7.55%	7.76%	8.07%	8.39%	8.33%	8.30%
Total 55 and over	28.16%	28.79%	28.99%	29.17%	29.11%	28.98%	28.70%
Male	56.70%	56.60%	56.44%	56.27%	55.90%	55.56%	55.03%
Female	43.29%	43.38%	43.52%	43.72%	44.10%	44.44%	44.97%
All Disabilities	9.46%	10.49%	12.38%	13.89%	15.33%	17.01%	18.37%
Targeted Disabilities (These totals are included in the total disability #'s above)	1.10%	2.69%	2.66%	2.61%	2.56%	2.52%	2.54%
Veteran	29.33%	29.43%	29.34%	29.15%	28.78%	28.37%	29.35%
American Indian or Alaskan Native	1.71%	1.69%	1.66%	1.63%	1.62%	1.62%	1.62%
Asian	5.86%	5.99%	6.10%	6.01%	6.17%	6.49%	6.70%
Black/African American	17.91%	18.15%	18.21%	18.02%	18.06%	18.19%	18.25%
Native Hawaiian or Pacific Islander	0.49%	0.51%	0.52%	0.52%	0.54%	0.56%	0.57%
More Than One Race	1.47%	1.60%	1.73%	1.82%	1.91%	2.01%	2.11%
Hispanic/Latino (H/L)	8.46%	8.75%	9.08%	9.14%	9.33%	9.53%	9.75%
White	64.04%	63.26%	62.63%	61.22%	60.86%	61.20%	60.53%

Source: U.S. Office of Personnel Management
* Total count varies slightly from other sources because of date and data collection method.

further leverage these teams to develop more robust applicant assessment strategies and identify opportunities to share highly qualified applicants with other agencies when those hiring actions use a multiple-hurdle assessment approach.

The Budget continues to demonstrate the Administration's commitment to rebuilding the workforce through an improved hiring system that honors merit system principles and provides equitable pathways into Federal service.

Civil Service Diversity, Equity, Inclusion, and Accessibility

In 2021, the President signed Executive Order 14035, "Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce", followed by issuance of a Government-wide strategic plan. The Executive Order stated that it is

Chart 13-2. Potential Retires to Younger than 30 Employees: Federal IT Workforce Vs. Federal Workforce
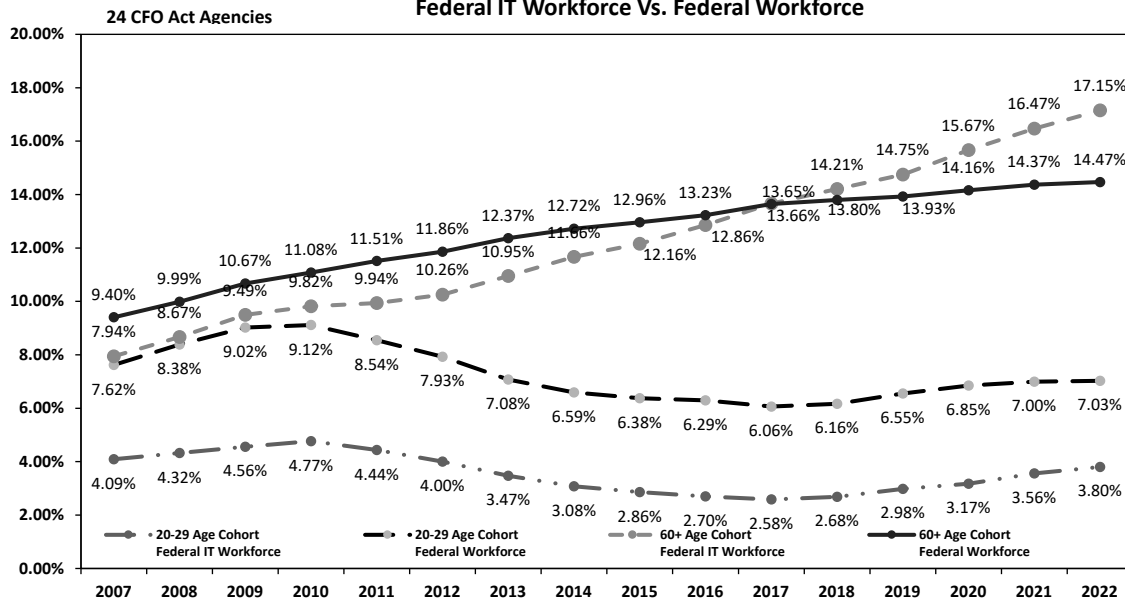
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Source: FedScope FY2007-2021 (Annual September Employment Cubes).
Data Filter: Job Series excludes nulls, Work Schedule includes only "F", Work Status includes only Non-Seasonal Full-Time Permanent, Age Cohort excludes less than 20 and unspecified, 24 CFO Act Agencies only.
Data Range: FY2007-2021, Age Cohorts 20-29, 30-39, 40-49, 50-59, and 60+.

Table 13–2.   FEDERAL CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH
(Civilian employment as measured by full-time equivalents (FTE) in thousands, excluding the Postal Service)

Agency	Actual		Estimate		Change: 2023 to 2024	
	2021	2022	2023	2024	FTE	Percent
Cabinet agencies						
Agriculture	83.7	85.0	92.1	101.6	9.5	10.4%
Commerce	46.5	41.0	44.1	45.0	0.9	2.0%
Defense--Military Programs	783.2	772.3	787.6	794.8	7.1	0.9%
Education	4.0	4.1	4.2	4.5	0.3	6.8%
Energy	14.4	14.8	16.1	17.1	1.1	6.6%
Health and Human Services	78.4	79.2	83.3	87.6	4.3	5.2%
Homeland Security	201.6	202.8	210.4	216.3	5.9	2.8%
Housing and Urban Development	7.9	8.1	8.7	9.3	0.6	6.4%
Interior	62.0	61.9	64.3	68.3	4.0	6.2%
Justice	115.9	115.0	122.6	126.0	3.4	2.8%
Labor	14.7	14.9	16.0	18.0	2.0	12.2%
State	25.0	30.0	30.4	30.7	0.3	1.0%
Transportation	53.7	53.1	55.3	57.1	1.8	3.3%
Treasury	93.9	94.4	99.4	114.3	14.9	15.0%
Veterans Affairs	402.8	411.6	433.9	453.9	20.0	4.6%
Other agencies -- excluding Postal Service						
Bureau of Consumer Financial Protection	1.6	1.6	1.6	1.7	*	1.4%
Corps of Engineers--Civil Works	23.5	23.0	24.4	24.4	....	....
Environmental Protection Agency	14.0	14.2	14.2	15.6	1.4	10.2%
Equal Employment Opportunity Commission	1.9	2.0	2.2	2.2	....	....
Federal Communications Commission	1.5	1.4	1.6	1.6	....	....
Federal Deposit Insurance Corporation	5.9	5.9	6.3	6.3	*	0.1%
Federal Trade Commission	1.1	1.1	1.4	1.7	0.3	22.4%
General Services Administration	11.6	11.7	12.7	13.2	0.4	3.4%
International Assistance Programs	5.5	6.1	6.6	7.0	0.4	6.8%
National Aeronautics and Space Administration	16.8	17.7	18.1	17.6	−0.5	−3.0%
National Archives and Records Administration	2.7	2.7	2.9	3.0	0.1	1.9%
National Credit Union Administration	1.1	1.1	1.2	1.2	*	2.1%
National Labor Relations Board	1.2	1.2	1.3	1.5	0.1	9.2%
National Science Foundation	1.5	1.5	1.7	1.7	*	0.5%
Nuclear Regulatory Commission	2.8	2.7	2.9	3.0	0.1	3.1%
Office of Personnel Management	2.4	2.6	2.5	2.5	*	0.8%
Securities and Exchange Commission	4.5	4.5	4.7	5.1	0.5	9.7%
Small Business Administration	6.0	8.0	6.8	7.7	0.9	13.3%
Smithsonian Institution	4.9	4.7	5.0	5.1	0.1	2.5%
Social Security Administration	59.9	58.2	60.7	61.9	1.2	1.9%
Tennessee Valley Authority	10.2	10.4	10.7	10.7	....	....
U.S. Agency for Global Media	1.6	1.6	1.7	1.7	....	....
Other Defense--Civil Programs	1.1	1.1	1.1	1.2	0.1	6.1%
Total, Executive Branch civilian employment	2,183.1	2,185.8	2,274.2	2,355.9	81.7	3.6%

* 50 or less.

55, while 8.3 percent (180,933) of employees are younger than 30, an increase from 8.1 percent (compared to December 2020). Chart 13-1 shows a widening age gap at the 24 large and mid-sized agencies since 2007. This gap carries into each career field. As an example, Chart 13-2 demonstrates the growing age disparity in the information technology sector that in particular shows the drop in the percentage of the Federal workforce under the age of 30 since 2010, when Federal internships and hiring programs for recent graduates became subject to new restrictions.

Personnel Vetting Transformation

The Administration continues prioritizing improvements in how the Executive Branch vets its civilian, military, and contractor workforce through the work of the Security, Suitability, and Credentialing Performance Accountability Council (PAC). These ongoing reforms encompass the policies, processes, and tools used to

Chart 13-3. Federal vs. Private Pay Differential
(1980 normalized to 0)
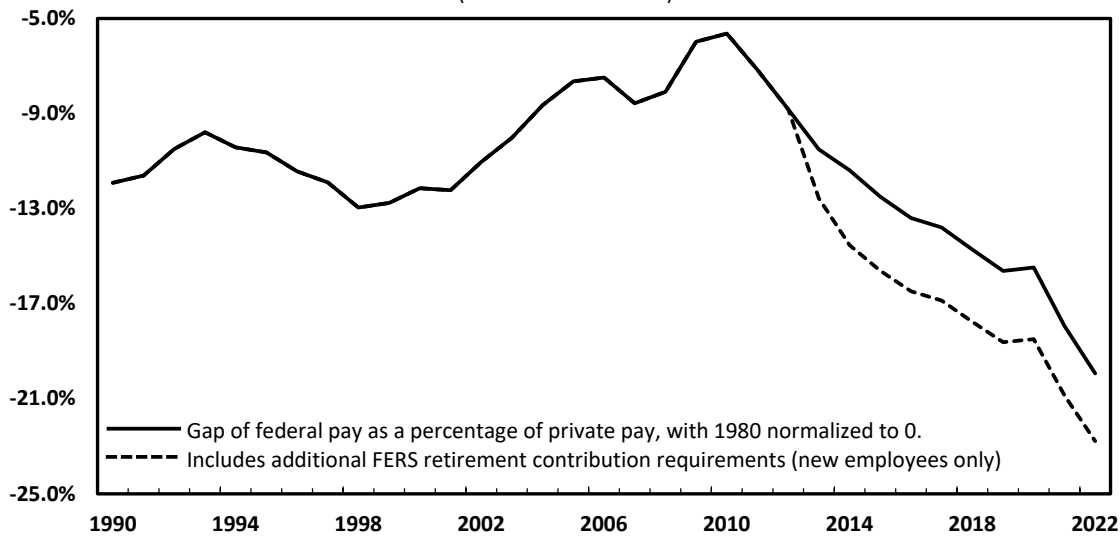
For newly hired federal employees, FERS contributions increased 2.3pp for employees hired in 2013 and an additional 1.3pp for employees hired in 2014 or after.

Sources: Public Laws, Executive Orders, Office of Personnel Management, OPM Memoranda from federal websites, Congressional Budget Office, and Bureau of Labor Statistics.

Notes: Federal pay is for civilians and includes base and locality pay. Private pay is measured by the Employment Cost Index wages and salaries, private industry workers series.

determine whether personnel should be trusted to provide needed services, be good stewards of taxpayer dollars, and protect sensitive information. During 2022, the Administration issued key policies reforming this mission space—including revised Federal Personnel Vetting Investigative Standards and new Performance Management Standards—under the Trusted Workforce 2.0 initiative. It also released an Implementation Strategy to help individual agencies develop plans for adopting reforms and facilitate their successful adoption. The Budget instructs agencies to continue preparing for the implementation of additional modernization reforms from the PAC which will require new coordination. These changes will include (1) expanding continuous vetting to non-sensitive public trust positions, (2) improving vetting processes for new personnel and those previously vetted but transferring between agencies, (3) implementing the 2022 Federal Personnel Vetting Investigative Standards, and (4) accelerating integration of personnel vetting information technology. Through these aligned policy, budget, and operational activities, the Administration is providing the American people with a workforce determined to be trustworthy.

Federal Executive Board Reform

In 1961, President Kennedy established FEBs as forums for workforce communication and regional collaboration outside of Washington, D.C. Timed with the celebration of the sixtieth anniversary of the program in 2021 and building upon the FEBs' strong foundation, the Administration launched an effort to rejuvenate the program, assure stable resources, and enhance shared governance to provide strategic direction and modernization.

The Budget assumes reforms to:

- Provide enhanced strategic workforce and management direction and expanded opportunities for engagement with local communities by establishing a new interagency forum at OPM;

- Clarify and update the internal governance structure of the program;

- Facilitate modernization and amplification of key elements of the program; and

- Bolster resources for the Federal workforce, particularly for regional Federal offices and workers outside of Washington, D.C., and agency headquarters, by enabling new opportunities for career development, human capital activities, and innovation.

A hallmark of the reform is to align strategic management and workforce priorities, and the communication and execution of those priorities, across the Federal landscape, no matter the agency or location. As an example, departments and agencies will be able to better leverage expanded Federal recruitment opportunities, including at public university systems and Minority Serving Institutions, by harnessing regional FEB representation and support.

Table 13–3. TOTAL FEDERAL EMPLOYMENT
(As measured by Full-Time Equivalents)

Description	2022 Actual	2023 Estimate	2024 Estimate	Change: 2023 to 2024	
				FTE	PERCENT
Executive Branch Civilian:					
All Agencies, Except Postal Service	2,185,751	2,274,192	2,355,917	81,725	3.5%
Postal Service [1]	667,363	563,470	554,707	−8,763	−1.6%
Subtotal, Executive Branch Civilian	2,853,114	2,837,662	2,910,624	72,962	2.5%
Executive Branch Uniformed Military:					
Department of Defense [2]	1,383,899	1,344,841	1,343,592	−1,249	−0.1%
Department of Homeland Security (USCG)	41,310	43,036	44,810	1,774	4.0%
Commissioned Corps (DOC, EPA, HHS)	6,239	6,236	6,351	115	1.8%
Subtotal, Uniformed Military	1,431,448	1,394,113	1,394,753	640	*
Subtotal, Executive Branch	4,284,562	4,231,775	4,305,377	73,602	1.7%
Legislative Branch [3]	31,662	35,257	35,718	461	1.3%
Judicial Branch	32,805	33,376	33,783	407	1.2%
Grand Total	4,349,029	4,300,408	4,374,878	74,470	1.7%

[1] Includes Postal Rate Commission.

[2] Includes activated Guard and Reserve members on active duty. Does not include Full-Time Support (Active Guard & Reserve (AGRSs)) paid from Reserve Component appropriations.

[3] FTE data not available for the Senate (positions filled were used for actual year and extended at same level).

* Non-zero less than 0.1%.

As OPM scales up transition activities to take place over calendar years 2023 and 2024 to support these reforms, OPM, OMB, and the General Services Administration are collaborating to lay the groundwork for the program's rejuvenated vision, structure, and strategic objectives.

Strategy 2: Make every Federal job a good job, where all employees are engaged, supported, heard, and empowered, with opportunities to learn, grow, join a union and have an effective voice in their workplaces through their union, and thrive throughout their careers

The Administration made significant progress in 2022 to rebuild the Federal employer-employee relationship and to invest robustly in its people.

As part of strengthening relations with Federal employee unions, in support of the strategies recommended for the Federal sector in the Vice President's Task Force on Worker Organizing and Empowerment, and to achieve the goals in Executive Order 14025, "Worker Organizing and Empowerment", in April of 2022, OPM issued guidance seeking to strengthen the management-worker relationship. To ensure relevant agencies are fulfilling their requirements under the Federal Service Labor-Management Relations Statute, the guidance outlined agency responsibilities for ensuring union organizing rights, access to and communication with bargaining unit employees, and the timely processing of bargaining unit employee payroll deduction requests for labor organization dues.

As part of the Administration's designation of 2022 as the "Year of Evidence for Action" to ensure equity in all practices[1], the Federal Government, in its pursuit to be a model employer, has prioritized the rebuilding of human capital data collection and analysis. Through thoughtful and deliberate updates to the annual Government-wide FEVS, such as a new DEIA Index to serve as a new baseline metric to assess future changes as well as benchmark comparisons for agency-specific DEIA initiatives, aligned with Executive Order 14035, and new questions to better assess evolving workplace conditions and impact on program effectiveness, agencies and employees are being enabled to engage in more informed dialogue to mutually forge a workplace culture that thrives on resilience, innovation, and customer responsiveness. As cited by Gallup, "Organizations have more success with engagement and improve business performance when they treat employees as stakeholders of their own future and the company›s future. This means focusing on concrete performance management activities, such as clarifying work expectations, getting people what they need to do their work, providing development and promoting positive coworker relationships."[2] The PMA harnesses these workforce engagement strategies to help agencies rebuild and create a new Federal workplace culture.

The Administration's commitment to the civil service was further evidenced by the President's efforts to secure pay increases for Federal employees on par with private sector wage growth. The Budget will reflect an average pay increase of 5.2 percent for both civilian and military employees, honoring the pay parity principle across the combined workforce. Between 2009 and 2021, U.S. average worker pay rose by 39.9 percent while Federal civilian pay increases amounted to only 26.9 percent, yielding a pay gap of 13 percentage points. Chart 13-3 demonstrates the sustained and growing gap of Federal pay as a per-

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[1] April 7, 2022, Biden Harris Administration Launches Year of Evidence for Action to Fortify and Expand Evidence-Based Policymaking (OSTP Web (whitehouse.gov).

[2] April 17, 2017, Employee Engagement vs. Employee Satisfaction and Organizational Culture, Jim Harter, Gallup (Gallup Web (gallup.com).

centage of private sector pay. The differential between Federal civilian pay and private sector pay has expanded substantially over this period, creating attrition risk within the existing workforce and reducing the competitiveness of Federal jobs. Importantly, the proposed Federal pay increase recognizes the Federal workforce's unwavering dedication to mission and service to the American people. Federal pay adjustments have not kept pace with the national labor market overall, or increases in the cost of goods, services, and benefits. The 2024 civilian pay adjustment, consistent with the Employment Cost Index, is a crucial step to addressing that imbalance.

Federal worker pay is also increasingly hamstrung by statutory and regulatory requirements and restrictions that curb the ability of agencies to reward talent, including for specialized occupations, in a national competitive job environment. As agencies confront the need for evolving digital and technological skill sets to assure service delivery for the public, their recruitment and retention toolboxes lack the means to tackle core compensation needs, particularly for senior level management officials charged with overseeing large numbers of projects, personnel, and funds. The Administration will take action to rectify long-standing white-collar Senior Executive Service and higher graded General Schedule (GS) pay compression, as well as blue-collar Federal Wage Grade pay limitations through development of a legislative proposal. The Federal Government, as a model employer, must act to enable a robust and capable civil service that is resilient to take on future challenges.

Further, the Administration worked to ensure that all Federal jobs should pay a living wage by implementing a policy in 2021 to provide that all Federal jobs are paid at a rate of at least $15 per hour, and is actively overseeing efforts to maintain this policy into 2023 for a second year. OPM has also proposed a number of changes to streamline and bolster Federal compensation to include: modifying critical position pay; establishing a critical skills incentive; increasing the special rate limitation for certain positions; updating GS pay setting for new appointments; increasing agency head awards authority; establishing a pay authority for highly qualified experts, and more recently for 2024, repealing the aggregate pay rate limitation and enhancing student loan repayments.

The Administration continues to demonstrate its publicly sustained commitment to the career workforce by opposing attempts to weaken the non-partisan, merit-based civil service. On Day One of the Administration in January 2021, the President issued Executive Order 14003, "Protecting the Federal Workforce", eliminating the Schedule F excepted service category issued during the previous Administration that undermined the foundations of the civil service and core protections for career civil servants. In 2022, the Administration stated its support for codifying in law the intent of this Executive Order, to ensure that employment in the Federal workforce remains unequivocally based on merit, skill, and experience, and does not become subject to politicization or favoritism. The Budget proposes to safeguard the Federal civilian workforce by advancing legislative changes necessary to

reinforce the underlying foundations of merit-based civilian service. The Administration looks forward to working with the Congress on this proposal. The American people deserve to be able to rely upon this expertise for program administration and delivery of services necessary for the functioning of our Government.

Strategy 3: Reimagine and build a roadmap to the future of Federal work informed by lessons from the pandemic and nationwide workforce and workplace trends

Given widely available COVID-19 vaccinations, testing, and treatments, as well as robust and responsive COVID-19 safety protocols in place across Federal agencies[3], COVID-19 is not driving agency decisions about their work environments. Now and on an ongoing basis, agencies must base decisions about their work environments on how they can most effectively achieve their respective missions while strengthening their organizations to be resilient for the future, especially relating to the delivery of Federal services and programs for the people and communities we serve.

In 2022, Federal agencies updated COVID-19 workplace safety plans in alignment with guidance from the Administration's Safer Federal Workforce Task Force and consistent with guidance from the Centers for Disease Control and Prevention, with the goal of maintaining Federal Government operations and employee safety.

In July 2022, the Administration issued forward-leaning capital planning guidance to agencies[4], encouraging increased coordination between agency strategic workforce planning and real property planning activities. When determining future physical space requirements, a critical element for agencies is their work to reimagine their workplace approaches informed by lessons learned from the pandemic, as well as from nationwide workforce and workplace 21st Century trends that include potential impacts from hybrid work, telework, remote work, alternative work schedules, and online collaboration.

Like workers across the Nation, Federal employees have continued to perform their duties, no matter the location. During 2022, Federal agencies engaged in evaluating lessons learned through the pandemic that will serve to position ongoing dialogue and future decision making relating to human capital management, facilities, and the very nature of work. Like employers around the world and across the Nation, agencies are confronting the changing nature of work, technologies, and society, and the Administration is taking steps to ensure Federal leaders are informed by evidence-based evaluation of what work will look like, what the workforce will look like, and what workplaces will look like in the years to come. The Federal Government has a wide range of occupations delivering an array of missions, including work that must be performed on the work-site, with a substantial portion

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[3] September 15, 2022, Safer Federal Workforce Task Force Model Agency COVID-19 Safety Principles (Safer Federal Workforce Task Force (https://www.saferfederalworkforce.gov)

[4] July 20, 2022, OMB Memorandum M-22-14, FY 2024 Agency-wide Capital Planning to Support the Future of Work, (OMB Memorandum Web (whitehouse.gov).

Table 13–4. **OCCUPATIONS OF FEDERAL AND PRIVATE SECTOR WORKFORCES**
(Grouped by Average Private Sector Salary)

Occupational Groups	Percent	
	Federal Workers	Private Sector Workers
Highest Paid Occupations Ranked by Private Sector Salary		
Lawyers and judges	3%	1%
Engineers	4%	2%
Scientists and social scientists	5%	1%
Managers	13%	15%
Pilots, conductors, and related mechanics	3%	0%
Doctors, nurses, psychologists, etc.	9%	7%
Miscellaneous professionals	17%	10%
Administrators, accountants, HR personnel	6%	2%
Inspectors	1%	0%
Total Percentage	60%	38%
Medium Paid Occupations Ranked by Private Sector Salary		
Sales including real estate, insurance agents	1%	6%
Other miscellaneous occupations	4%	5%
Automobile and other mechanics	2%	3%
Law enforcement and related occupations	9%	1%
Office workers	2%	5%
Social workers	2%	1%
Drivers of trucks and taxis	1%	3%
Laborers and construction workers	3%	10%
Clerks and administrative assistants	12%	10%
Manufacturing	2%	7%
Total Percentage	36%	51%
Lowest Paid Occupations Ranked by Private Sector Salary		
Other miscellaneous service workers	2%	5%
Janitors and housekeepers	1%	2%
Cooks, bartenders, bakers, and wait staff	1%	4%
Total Percentage	4.1%	11.3%

Source: 2017–2022 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.

Notes: Federal workers exclude the military and Postal Service, but include all other Federal workers in the Executive, Legislative, and Judicial Branches. However, the vast majority of these employees are civil servants in the Executive Branch. Private sector workers exclude the self-employed. Neither category includes State and local government workers. This analysis is limited to full-time, full-year workers, i.e. those with at least 1,500 annual hours of work.

of the Federal workforce delivering critical services at the work site throughout the pandemic. Going forward, agencies need to be strategically prepared for evolving work environments, where teams are likely to be more distributed on a continual basis than in the past. This shift will lead to increased reliance upon enhanced technological tools, cross-collaboration, and new methods of worker engagement.

Senior Federal Government leaders and managers must monitor and assess the organizational health and organizational performance of the individual major operating units within agency bureaus and components in order to improve the ability of those units to contribute to the mission delivery of the agency. This action includes developing routines for engaging managers and staff within each such operating unit to pursue improved performance in concert with increased organizational health. These routines should be consistent with overall agency mission and strategy, and also should be informed by a variety of indicators of organizational health and organizational performance, which can, taken together, monitor the effect of changes to workforce and workplace policies and practices.

Additional information on the Administration's efforts to inform workforce and workplace policies based on organizational performance and organizational health is included in Chapter 11, "Delivering a High-Performance Government".

Strategy 4: Build the personnel system and support required to sustain the Federal Government as a model employer able to effectively deliver on a broad range of agency missions

Rebuilding the capacity and capabilities of the Federal Government would not be possible without the more than 47,000 HR professionals in Federal service. When the

Bipartisan Infrastructure Law (Public Law 117-58) was passed at the end of 2021, Federal HR experts crafted plans to surge their hiring and quickly onboard the essential staff needed to support the implementation of the law. With coordinated, hands-on support from OPM through a cross-departmental tiger team, nearly 3,500 new public servants were hired in 90 occupations in the first year, including scientists to combat climate change, engineers to repair and rebuild our roads and bridges, and workers to help ensure that every community in America has clean water. As rebuilding efforts continue, hiring in these mission-essential functions will continue at an accelerated pace—while the Federal Government also seeks to develop its posture as a modern employer of choice, able to engage and retain the workers we hire.

The results of the surge hiring effort was incumbent on both OPM's and agency HR expertise through a close partnership including training to bring Federal HR personnel up to speed on innovative recruitment and hiring approaches, a dedicated platform for jobseekers looking for opportunities, and targeted hiring authorities and strategies to bring new talent onboard. Through this collaboration, hiring timelines were cut by an average of seven days for infrastructure-related positions proving that the Federal Government can—and must—lean into modern approaches to hiring with technology-driven process improvements that prioritize highly-skilled applicants and protect merit systems principles.

The Federal Government's success as an employer in the competition for talent calls for a vital, customer-focused OPM, Chief Human Capital Officers (CHCOs) who are partners with agency leaders, and highly-trained HR professionals able to advance the development of personnel concepts with the times. During 2022, in accordance with OPM's FY 2022-26 Strategic Plan, OPM laid the groundwork for a transformation approach to undergird OPM's organizational capacity and capability to serve as the leader in Federal human capital management with the designation of a Chief Transformation Officer. Priority focus areas include policy, research, support to agencies, and service to customers, with strategic investments in internal talent and technology made possible through increased budgetary support. With an enhanced lens on timely stakeholder engagement and improvements in data analytics to drive human capital decision-making, OPM is leading the way to scale proven enhancements to the personnel system and empower CHCOs and staff to develop human capital management approaches that enable their agencies to meet their missions.

Continued progress through a renewed vision for the Federal HR workforce is underway that will more deftly allow for enterprise-level workforce management and training approaches. Of top priority is mitigating skills gaps in the HR workforce, a perennial concern often cited by the U.S. Government Accountability Office, National Association of Public Administration, and other external entities as a critical success factor for Federal Government missions and operations. OPM and Federal agencies are working in partnership to identify and expand awareness of approaches to development to build the technical and

transformational skills needed in today's HR workforce, map career pathways for current HR professionals, early career talent, and workers with transferable skills, and develop a centralized technology hub to provide access to these resources. Government-wide approaches such as these aim to yield consistently high standards for HR professional development, cost savings for agencies, and a stronger HR workforce ready to support mission needs.

Federal Workforce Trends and Updates

The total Federal workforce is comprised of approximately 4.2 million staff, with 2.2 million Federal civilian employees and 2.1 million military personnel.[5] (See Tables 13-2 and 13-3). Using data from the Bureau of Labor Statistics on full-time, full-year workers, Table 13-4 breaks out all Federal and private sector jobs into 22 occupational groups to demonstrate the differences in composition between the Federal and private workforces. Table 13-5 summarizes total pay and benefit costs. Charts 13-4 and 13-5 present trends in educational levels for the Federal and private sector workforces over the past two decades, demonstrating a continuation in the advanced educational attainment of Federal employees. Chart 13-6 shows the trends in average age in both the Federal and private sectors, reflecting the average age of Federal employees to be significantly higher than the average age of private sector employees. Charts 13-7 and 13-8 show the location of Federal employees in 1978 and again in 2022. Chart 13-9 reflects the changing nature of work, comparing the number of employees in each General Schedule grade in 1950 versus 2022, showing an almost complete shift from lower-grade to higher-grade types of work.

In calendar year 2022, USAJOBS.gov hosted over 440,000 job announcements, facilitated over 1 billion job searches, and enabled individuals to begin more than 19.5 million applications for Federal jobs. Further in calendar year 2022, over 900,000 job seekers made their resumes searchable in the USAJOBS.gov Agency Talent Portal, and agencies created over 4,800 recruitment campaigns and posted over 750 recruitment events to attract seekers to their job opportunity announcements. In calendar year 2022, USAJOBS Open Opportunities included 11 communities, and agencies posted 1,000 opportunities for current Federal employees to develop and grow their professional skills and experience – all while keeping their current Federal job. OPM's Retirement Services processed almost 110,000 new retirement cases and about 290,000 survivor claims. The Federal Employees Health Benefits Program provides benefits to more than 8.2 million Federal civilian employees, annuitants, and their families, as well as certain Tribal employees and family members through 271 plan options for the 2023 benefit year.

The Federal Government's efforts to adopt and instill long-lasting workforce strategies that promote organizational efficiency, performance, and health are intrinsically linked to a workforce that is capable of serving the American people and our Nation's evolving needs

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[5] October 2022, Active Duty Military Personnel By Service and Selected Reserve Personnel by Reserve Component, Defense Manpower Data Center, Department of Defense (DMDC Web (osd.mil).

amid great societal and technological changes. Our people deserve nothing less than a robust and skilled Federal workforce drawing from the diversity of our Nation and equipped to navigate the course ahead and steer Federal programs and initiatives into a better tomorrow.

Table 13–5.   PERSONNEL PAY AND BENEFITS
(In millions of dollars)

| Description	2022 Actual	2023 Estimate	2024 Estimate	Change: 2023 to 2024	
				Dollars	Percent
Civilian Personnel Costs:					
Executive Branch (excluding Postal Service):					
Pay	229,603	248,600	271,310	22,710	9.1%
Benefits	108,349	111,647	119,336	7,689	6.9%
Subtotal	337,952	360,247	390,646	30,399	8.4%
Postal Service:					
Pay	42,524	43,365	43,884	519	1.2%
Benefits	12,623	15,535	15,728	193	1.2%
Subtotal	55,147	58,900	59,612	712	1.2%
Legislative Branch:					
Pay	2,618	2,973	3,156	183	6.2%
Benefits	1,029	1,116	1,199	83	7.4%
Subtotal	3,647	4,089	4,355	266	6.5%
Judicial Branch:					
Pay	3,648	3,985	4,300	315	7.9%
Benefits	1,342	1,419	1,522	103	7.3%
Subtotal	4,990	5,404	5,822	418	7.7%
Total, Civilian Personnel Costs	401,736	428,640	460,435	31,795	7.4%
Military Personnel Costs					
Department of Defense--Military Programs:					
Pay	114,794	119,036	123,599	4,563	3.8%
Benefits	59,423	61,226	71,561	10,335	16.9%
Subtotal	174,217	180,262	195,160	14,898	8.3%
All other Executive Branch uniform personnel:					
Pay	4,056	4,281	4,684	403	9.4%
Benefits	748	780	877	97	12.4%
Subtotal	4,804	5,061	5,561	500	9.9%
Total, Military Personnel Costs	179,021	185,323	200,721	15,398	8.3%
Grand total, personnel costs	**580,757**	**613,963**	**661,156**	**47,193**	**7.7%**
ADDENDUM					
Former Civilian Personnel:					
Pensions	98,589	107,090	112,648	5,558	5.2%
Health benefits	13,835	15,122	15,552	430	2.8%
Life insurance	43	43	45	2	4.7%
Subtotal	112,467	122,255	128,245	5,990	4.9%
Former Military Personnel:					
Pensions	69,077	76,589	80,733	4,144	5.4%
Health benefits	11,538	12,698	13,423	725	5.7%
Subtotal	80,615	89,287	94,156	4,869	5.5%
Total, Former Personnel	193,082	211,542	222,401	10,859	5.1%

Chart 13-4. Masters Degree or Above By Year for Federal and Private Sectors
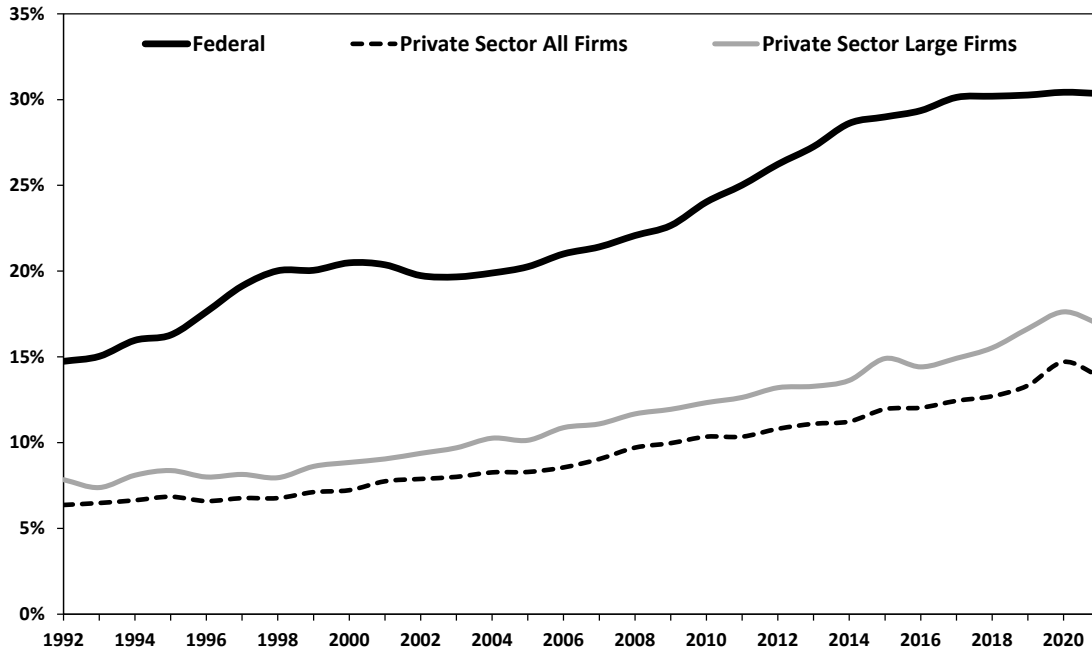
Source: 1992-2022 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.

Notes: Federal excludes the military and Postal Service, but includes all other Federal workers. Private Sector excludes the self-employed. Neither category includes State and local government workers. Large firms have at least 1,000 workers. This analysis is limited to full-time, full-year workers, i.e. those with at least 1,500 annual hours of work and presents five-year averages. Industry is from the year preceding the year on the horozontal axis.
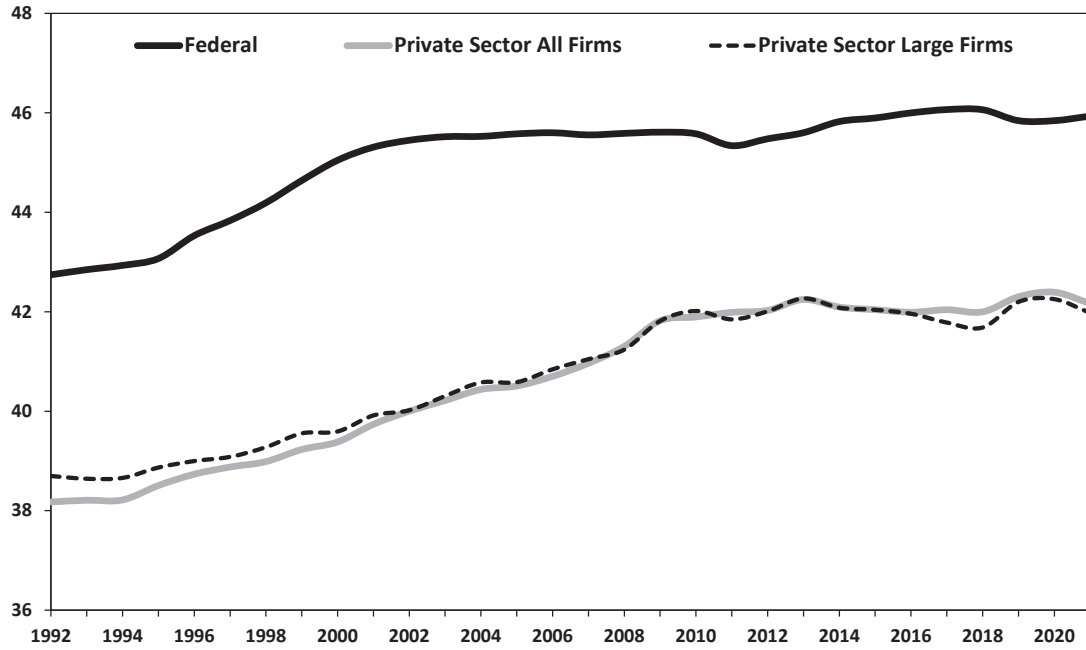
Chart 13-5. High School Graduate or Less By Year for Federal and Private Sectors
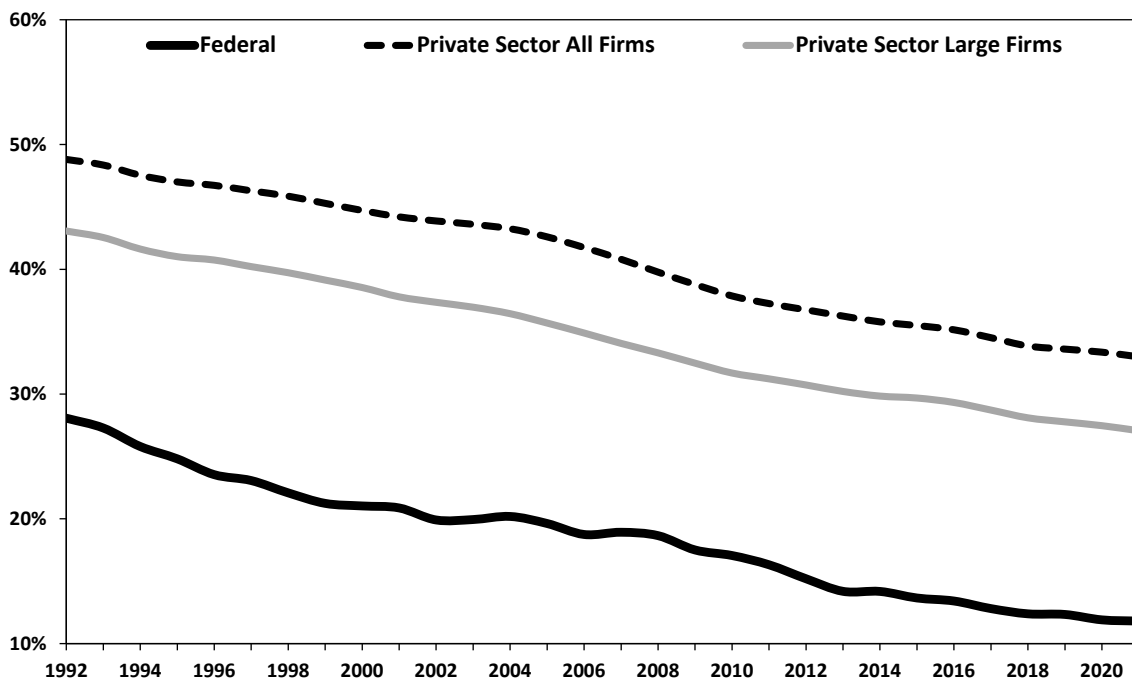
Source: 1992-2022 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.
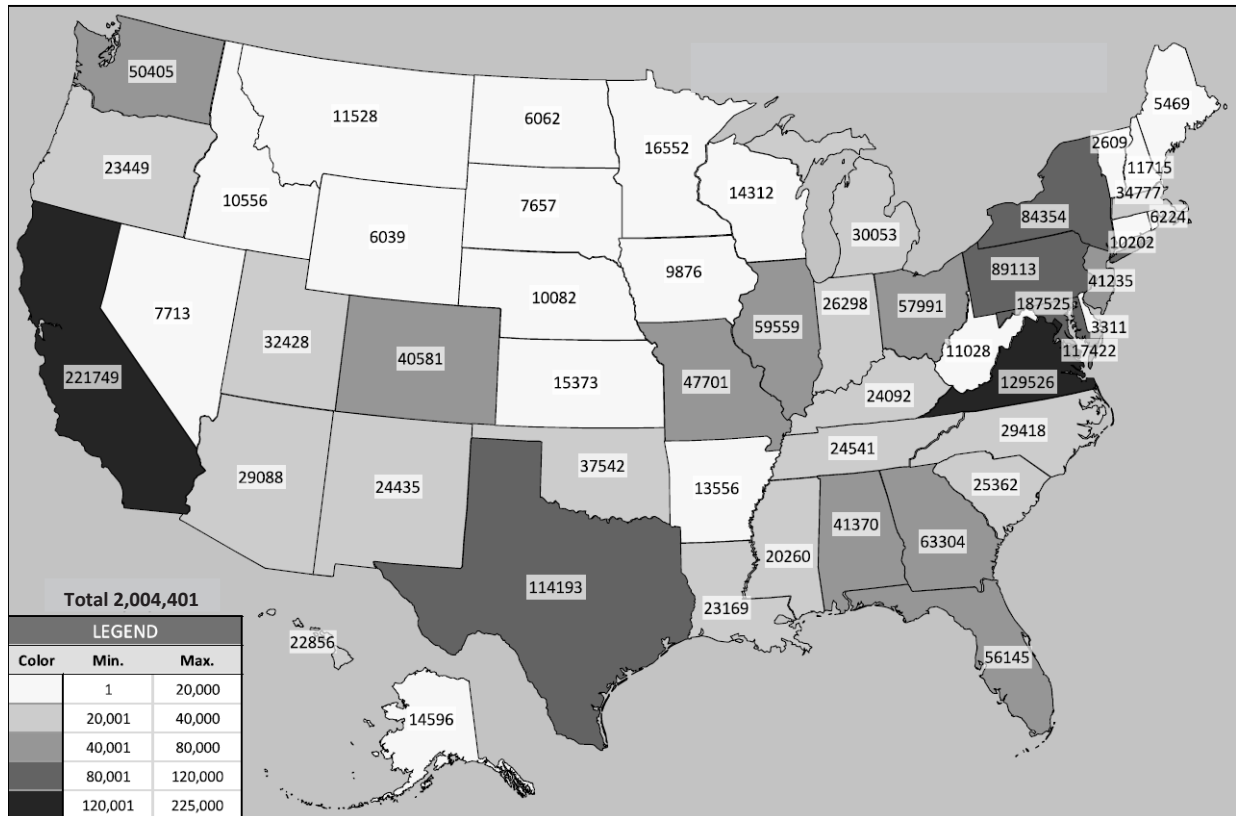
Notes: Federal excludes the military and Postal Service, but includes all other Federal workers. Private Sector excludes the self-employed. Neither category includes State and local government workers. Large firms have at least 1,000 workers. This analysis is limited to full-time, full-year workers, i.e. those with at least 1,500 annual hours of work and presents five-year averages. Industry is from the year preceding the year on the horozontal axis.

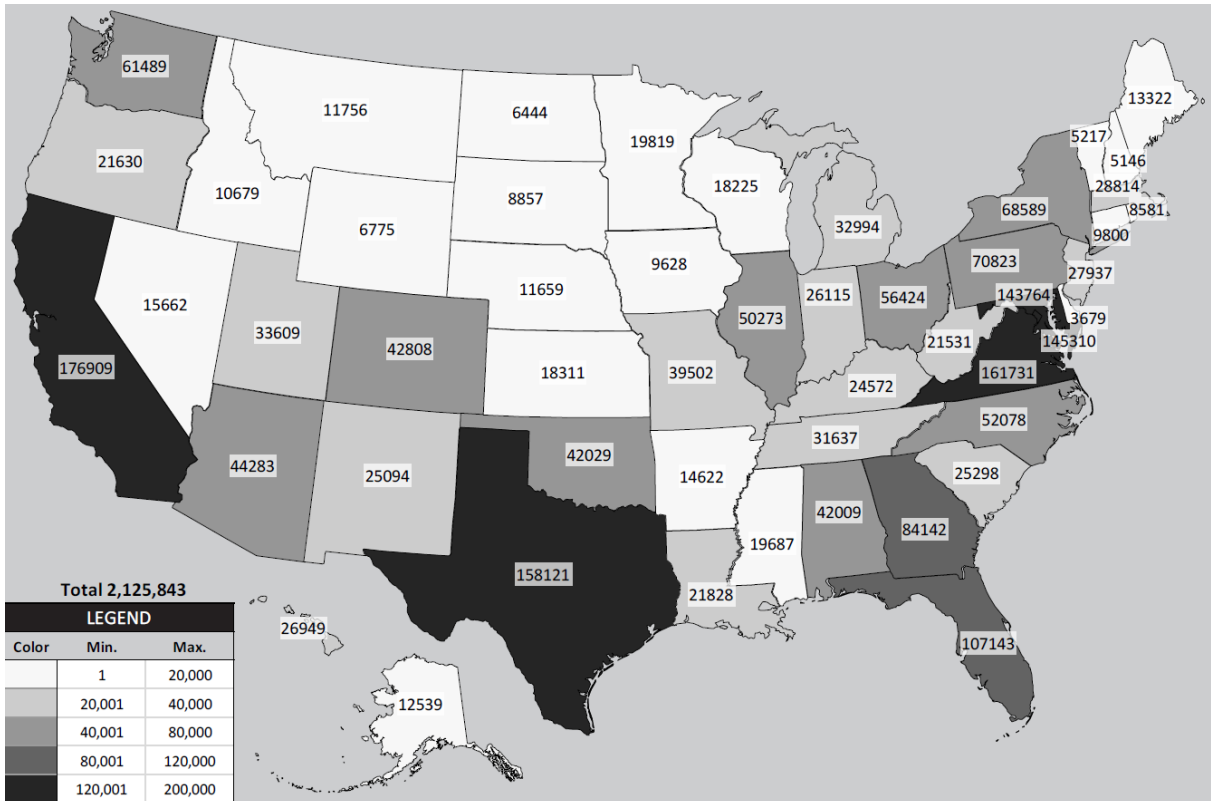## Chart 13-6. Average Age by Year for Federal and Private Sectors

Federal — **Private Sector All Firms** — **- - -Private Sector Large Firms**

Source: 1992-2022 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.
Notes: Federal excludes the military and Postal Service, but includes all other Federal workers. Private Sector excludes the self-employed. Neither category includes State and local government workers. Large firms have at least 1,000 workers. This analysis is limited to full-time, full-year workers, i.e. those with at least 1,500 annual hours of work and presents five-year averages. Industry is from the year preceding the year on the horozontal axis.

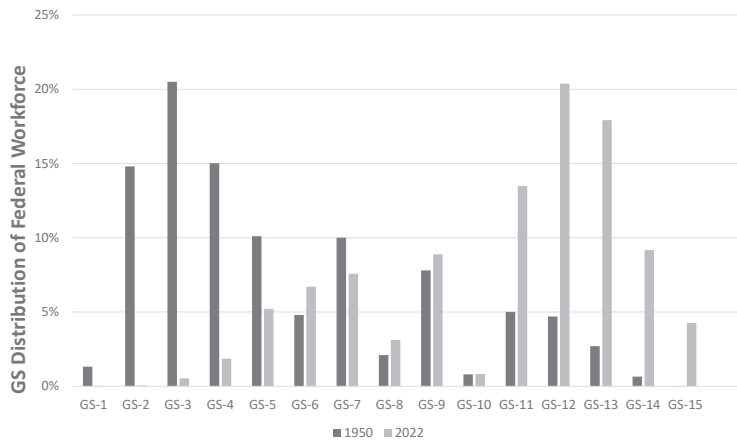## Chart 13-7. GOVERNMENT-WIDE ON-BOARD U.S. DISTRIBUTION 10–1–1978

Total 2,004,401

LEGEND		
Color	Min.	Max.
	1	20,000
	20,001	40,000
	40,001	80,000
	80,001	120,000
	120,001	225,000

Source: Office of Personnel Management.

Chart 13-8. Government-wide On-board U.S. Distribution 9–30–2022

Color	Min.	Max.
	1	20,000
	20,001	40,000
	40,001	80,000
	80,001	120,000
	120,001	200,000

Total 2,125,843

Source: Office of Personnel Management

Chart 13-9. The Changing General Schedule Workforce

Source: Office of Personnel Management