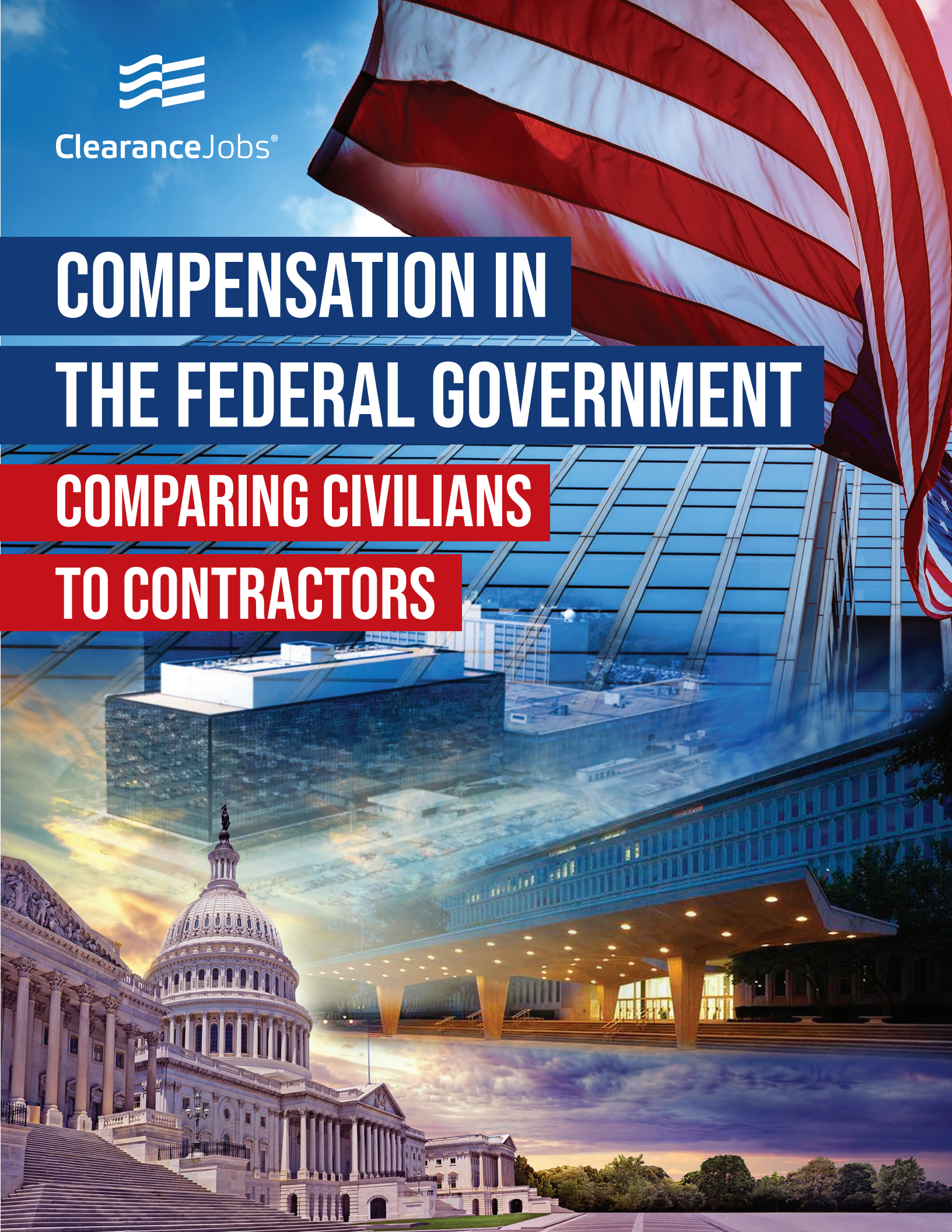




ClearanceJobs®

COMPENSATION IN THE FEDERAL GOVERNMENT

COMPARING CIVILIANS TO CONTRACTORS














From mask and vaccine mandates to remote work options to education requirements, the federal government sets the tone in national security for the workforce. National security requires both contractor and civilian personnel, and each employee faces unique challenges. No matter which lane candidates choose, there will be benefits and burdens. That rings true in the civilian versus contractor debate.

Often, compensation is a driving force in the employment decision, but for many, it's not the only factor. That truth is made clear by the fact that many government employees stick it out for years, despite lower compensation. According to the 2023 Security Clearance Compensation report, the total national average compensation for cleared respondents was \$108,611. However, government contractors reported earning an average total compensation of \$112,084 - almost \$4,000 higher than the national average and \$10,000 higher than government employees.

CIVILIAN AND CONTRACTOR COMPENSATION

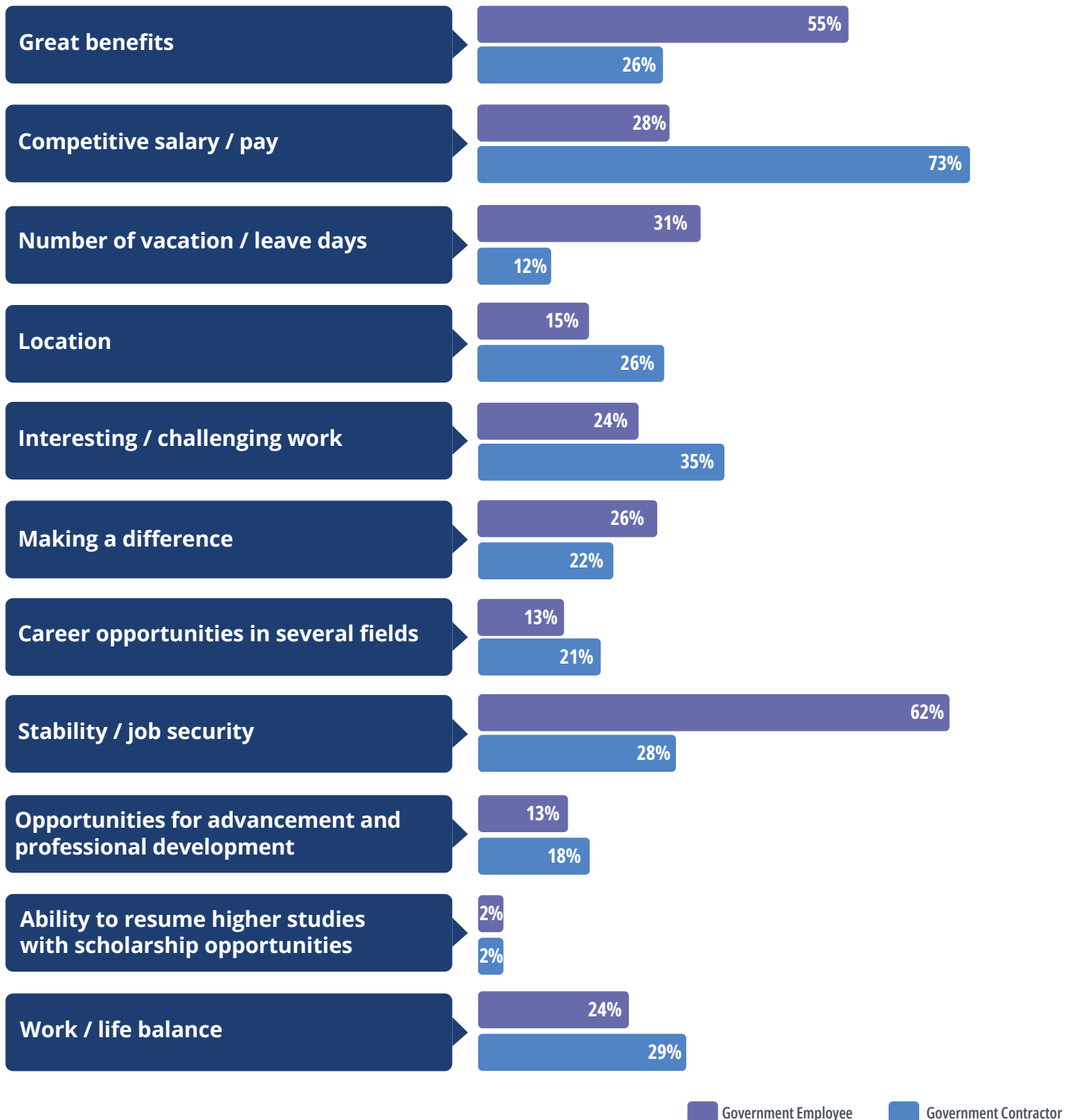
Everyone loves to complain about compensation for civilians compared to contractors; however, the reality is that it depends on the agency. In the cleared industry, some agencies compensate federal employees a little more than their contractors. The DoD reigns supreme as the go-to employer for both government employees and contractors, dishing out competitive paychecks. But here's the twist: while contractors usually take home the bigger bucks at agencies like the Department of Energy, government employees may score more moolah at places like the Department of Homeland Security. It's a coin toss in law enforcement and intelligence gigs, where the income battlefield is pretty level, with just a few subtle variations. In this agency arena, it's a paycheck showdown where the only certainty is the diversity of options.

WHICH GOVERNMENT AGENCY DO YOU WORK FOR OR SUPPORT?	GOVERNMENT EMPLOYEE		GOVERNMENT CONTRACTOR	
	Percentage of Respondents	Average Compensation	Percentage of Respondents	Average Compensation
 Dept of Defense and all Military Branches	55%	\$96,792	68%	\$110,094
 Dept of Homeland Security	9%	\$115,092	4%	\$103,780
 Dept of Energy	1%	\$111,961	3%	\$116,586
 Dept of State	4%	\$123,458	4%	\$107,599
 Dept of Justice (FBI, ATF, DEA, BOP)	7%	\$119,688	3%	\$107,105
 NSA	3%	\$105,822	3%	\$132,468
 CIA	2%	\$131,632	2%	\$141,380
 N/A - Not Applicable	3%	\$91,341	3%	\$112,117
 Other Government / Intelligence Agency	16%	\$98,514	9%	\$118,496

BEST FEATURES OF THE JOB

We asked survey respondents to pick their top three reasons for working in their position. Not surprisingly, federal employees resoundingly picked job stability (62%), benefits (55%), and vacation days (31%). And contractors picked salary (78%), interesting work (35%), and work-life balance (29%). And 2% of each category said they just don't want to work for the federal government.

TOP THREE REASONS FOR WORKING IN YOUR POSITION



MAKING THE SWITCH

We also asked respondents if they would ever make the leap to the other side. The federal government has made attempts to make it easier for the federal workforce to come and go. Historically, federal employees have been reticent to make that leap, and contractors have been wary of the potential pay cut and notoriously long hiring process.

Change is hard, and a move to either side is no exception - despite all the opportunities that can open up from making a switch. From daily routines to workplace dynamics to organizational structure, a lot changes when you jump ship. Many would love the opportunity to contribute directly to public service. But it's all about managing the trade-offs between the unique benefits and opportunities offered by each environment. Contractors are a little more likely to make the shift, but the majority of both camps show an interest in switching employers if the right opportunity comes along. **So, we're saying there's a chance.**

IF THE RIGHT OPPORTUNITY CAME ALONG, WOULD YOU SWITCH TO THE OTHER SIDE?

Government Employee



Government Contractors



Similarly, we also asked respondents which role they preferred if given a choice. It's common to feel stuck in a job without a pathway into a different career. A slight majority of both government employees AND contractors said they preferred working as a federal employee. About a third prefer the contractor life.

WHICH ROLE WOULD YOU PREFER?

Government Employee



Government Contractors



AGE AND THE FEDERAL WORKFORCE

Some say that the federal workforce is a little older, and they wouldn't be wrong. The federal government has slightly less Generation Z and millennial employees. However, more Generation X and boomers are working their 9-to-5 for the federal government. And the handful of contractors representing the silent generation sit at the CEO level or in a high level role within an organization.

Contractors consistently outearn government employees across all age groups and generations. Generation Z and the silent generation make up a tiny slice of the workforce pie, and Gen Z's lower earnings reflect their career stage. Baby boomers lead the pack in average income among government employees, earning \$120,516, followed by Generation X at \$110,923.













Among contractors, it's once again baby boomers taking the top spot with an average income of \$126,501, closely followed by Generation X at \$121,668.

COMPENSATION BY AGE	GOVERNMENT EMPLOYEE		GOVERNMENT CONTRACTOR	
	Percentage of Respondents	Average Compensation	Percentage of Respondents	Average Compensation
Generation Z (born 1997-2012)	4%	\$63,584	6%	\$79,929
Millennials (born 1981-96)	37%	\$87,655	44%	\$102,836
Generation X (born 1965-80)	45%	\$110,923	36%	\$121,668
Boomers (born 1946-64)	14%	\$120,516	14%	\$126,501
Silent (born 1945 or earlier)	<1%	\$123,000	<1%	\$136,306

LOCATION AND THE FEDERAL WORKFORCE

In D.C., government employees lead the pay scale with \$124,151, while contractors follow at \$114,381. But in Virginia, government employees barely outpace contractors, earning \$119,552 against \$118,634. However in Maryland, another location with a high cost of living, government contractors have a slight edge at \$120,210, while in California, they make \$115,393.

The data unveils interesting pay discrepancies between government employees and contractors in states like Texas, where government employees earn 7% less (\$90,180) than their contractor counterparts (\$102,658). In Alabama, government employees earn approximately 1.9% more than government contractors, with a salary difference of around \$2,488.

	GOVERNMENT EMPLOYEE		GOVERNMENT CONTRACTOR	
	Percentage of Respondents	Average Compensation	Percentage of Respondents	Average Compensation
 D.C.	11%	\$124,151	7%	\$114,381
 Maryland	9%	\$106,143	10%	\$120,210
 Virginia	16%	\$119,552	25%	\$118,634
 Alabama	2%	\$105,406	4%	\$103,918
 Arizona	2%	\$87,923	2%	\$107,159
 California	8%	\$97,355	7%	\$115,393
 Colorado	2%	\$98,981	5%	\$118,978
 Florida	6%	\$92,353	7%	\$103,374
 Georgia	4%	\$88,620	3%	\$98,953
 North Carolina	2%	\$83,022	2%	\$98,805
 Texas	7%	\$90,180	6%	\$102,658
 Other	31%	\$92,384	23%	\$105,874

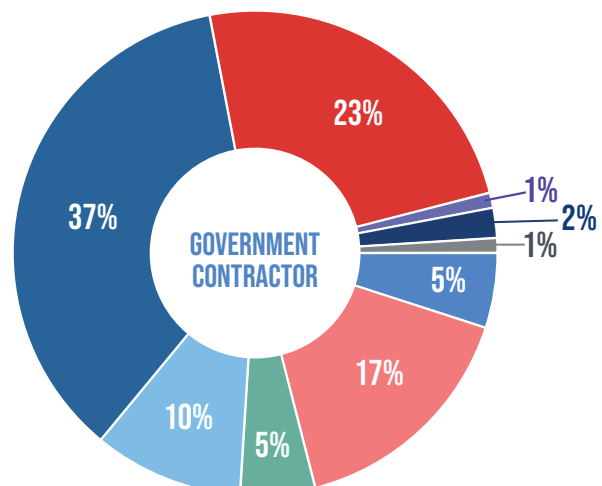
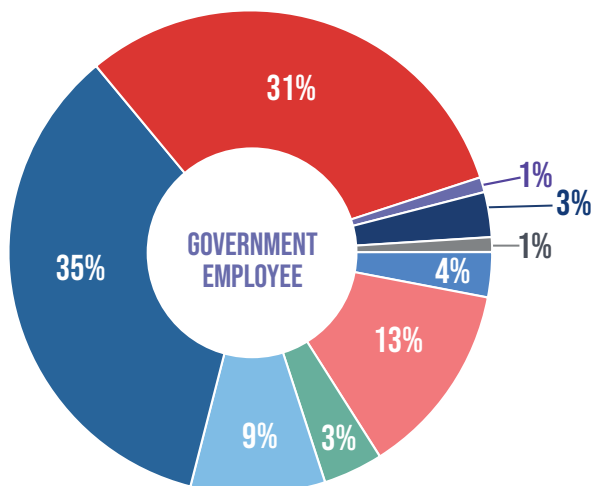
EDUCATION

Higher education translates to higher earnings in the world of government employment. It's crystal clear: the more you learn, the more you earn. Those who've ventured further into academia are cashing in. But the bachelor's degree is the common ground, with 35% of government employees and 37% of government contractors holding this certificate of income potential. They're not doing too shabby either, sitting pretty with higher incomes than their less-educated counterparts.

And for the master's degree holders, there's a twist: government contractors rake in significantly more than government employees. Although 38% of government employees have masters, professional, or doctorate degrees, compared to 27% of contractors, the government doesn't pay their employees as much for those degrees. Government contractors pay over \$10,000 more for master's or doctorate degrees.

Professional and doctorate degrees are golden tickets to higher compensation. Even if you've got some college credit or trade skills, being a government contractor is still the ticket to bigger paychecks. The bottom line? In this education-driven arena, contractors tend to out-earn government employees, no matter the level of learning.

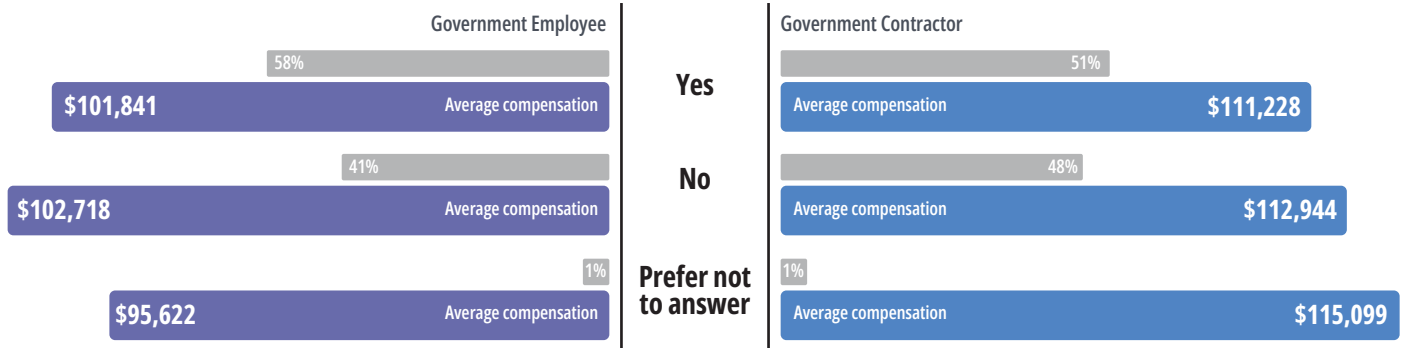
EDUCATION LEVEL	GOVERNMENT EMPLOYEE	GOVERNMENT CONTRACTOR
	Average Compensation	Average Compensation
High school graduate, diploma or the equivalent (for example: GED)	\$75,929	\$85,805
Some college credit, no degree	\$85,769	\$94,751
Trade/technical/vocational training	\$84,482	\$99,135
Associate degree	\$89,173	\$96,228
Bachelor's degree	\$101,497	\$111,575
Master's degree	\$114,107	\$135,616
Professional degree	\$140,545	\$158,153
Doctorate degree	\$129,834	\$158,079
I prefer not to answer	\$112,360	\$113,753



VETERANS

Veterans are a vital part of both government employee and government contractor roles, comprising a substantial portion in each category. More government employees are veterans, with 58% formerly serving in the U.S. military, compared to 51% of contractors. But veterans continuing service to their country with the federal government earn almost \$10,000 less than their contractor veterans.

ARE YOU A U.S. MILITARY VETERAN?

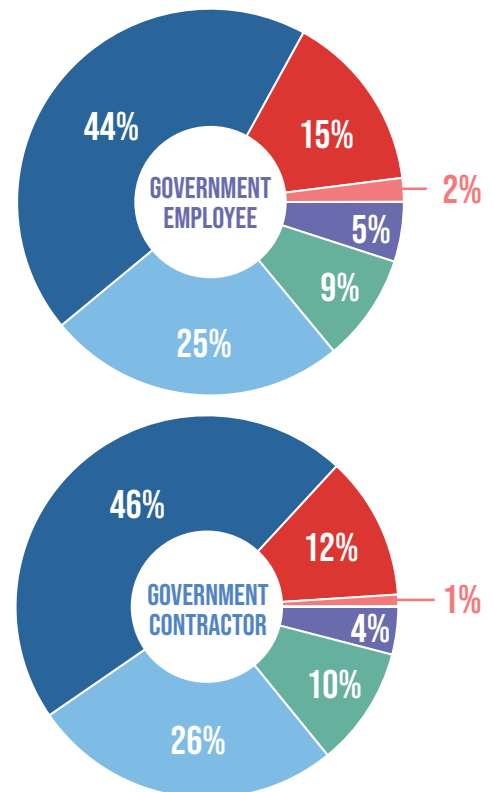


EXPERIENCE

In the world of government work, one golden rule stands tall: experience equals income. As careers evolve from fledgling entry-level to seasoned senior-level, paychecks tend to fatten up nicely. But here's the twist — no matter the level on the experience ladder, government contractor earnings typically outshine government employee peers.

Seasoned pros with a decade or more under their belts rake in the highest incomes, and managers and directors aren't too far behind, especially for the public sector crew. So, remember, experience pays dividends, and in this game, contractors often take home a bigger slice of the pie.

EXPERIENCE LEVEL	GOVERNMENT EMPLOYEE	GOVERNMENT CONTRACTOR
Entry Level (< 2 yrs experience)	\$61,937	\$70,213
Early Career (2+ yrs experience)	\$72,540	\$79,891
Mid Level Career (5+ yrs experience)	\$84,174	\$96,126
Senior Level Career (10+ yrs experience)	\$108,597	\$120,720
Management (Manager/Director of Staff)	\$134,664	\$147,909
Executive (SVP, EVP, VP)	\$161,976	\$200,049
Senior Executive (President, CEO)	\$174,922	\$207,923

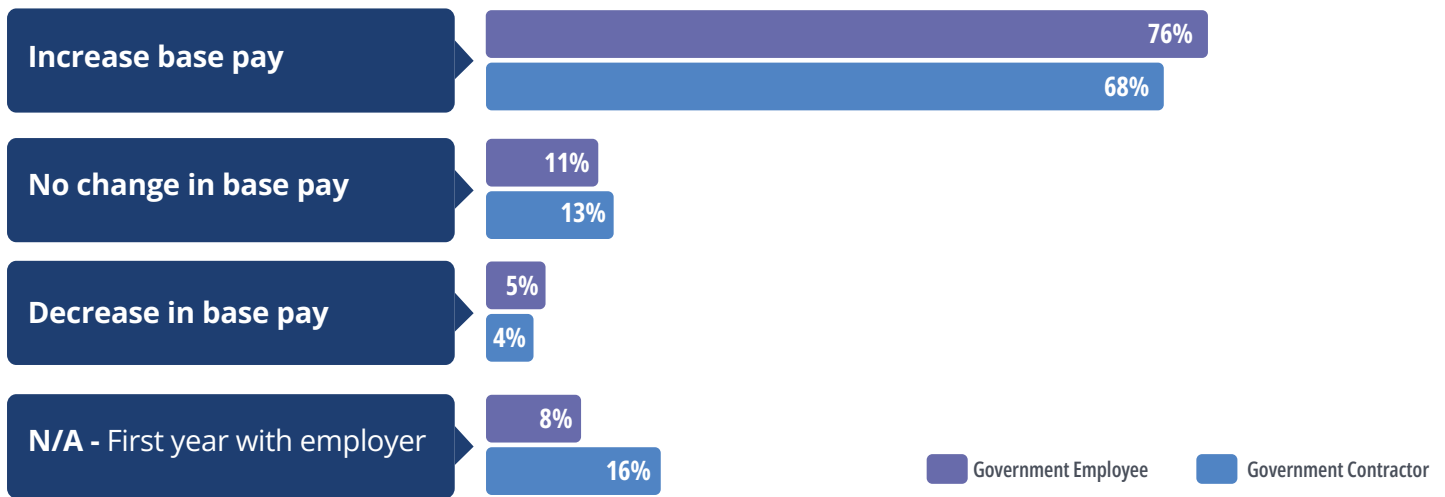


RAISES IN 2023

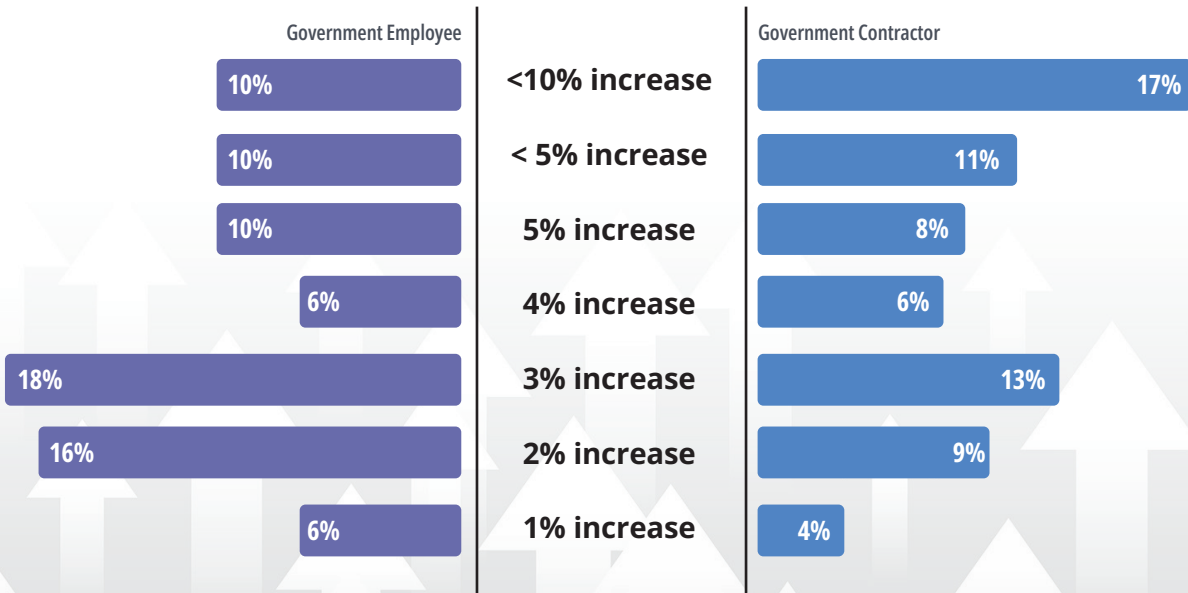
In the ever-evolving landscape of government pay, the data speaks volumes. With a resounding 76% of government employees reporting an increase in their base pay, it aligns closely with recent executive orders. At the end of 2022, the White House waved its wand, bestowing a 4.6% average pay increase upon millions of civilian employees, outshining the previous year's 2.7% raise. The story of government contractors isn't too different, with a healthy 68% witnessing an uptick in their base pay. However, there are some nuanced differences in the reasons behind these pay increases.

Government employees seem to experience more structured pay adjustments, with 34% attributing their raise to mandated pay increases and 18% citing cost-of-living adjustments. In contrast, only 1% of contractors found cost of living to be a driving factor. But here's where contractors take the lead: a substantial 40% reported that personal performance was the catalyst for their pay increase, compared to 21% of government employees. It's a testament to the competitive and dynamic nature of the contracting sector, where individual contributions often pave the way to fatter paychecks.

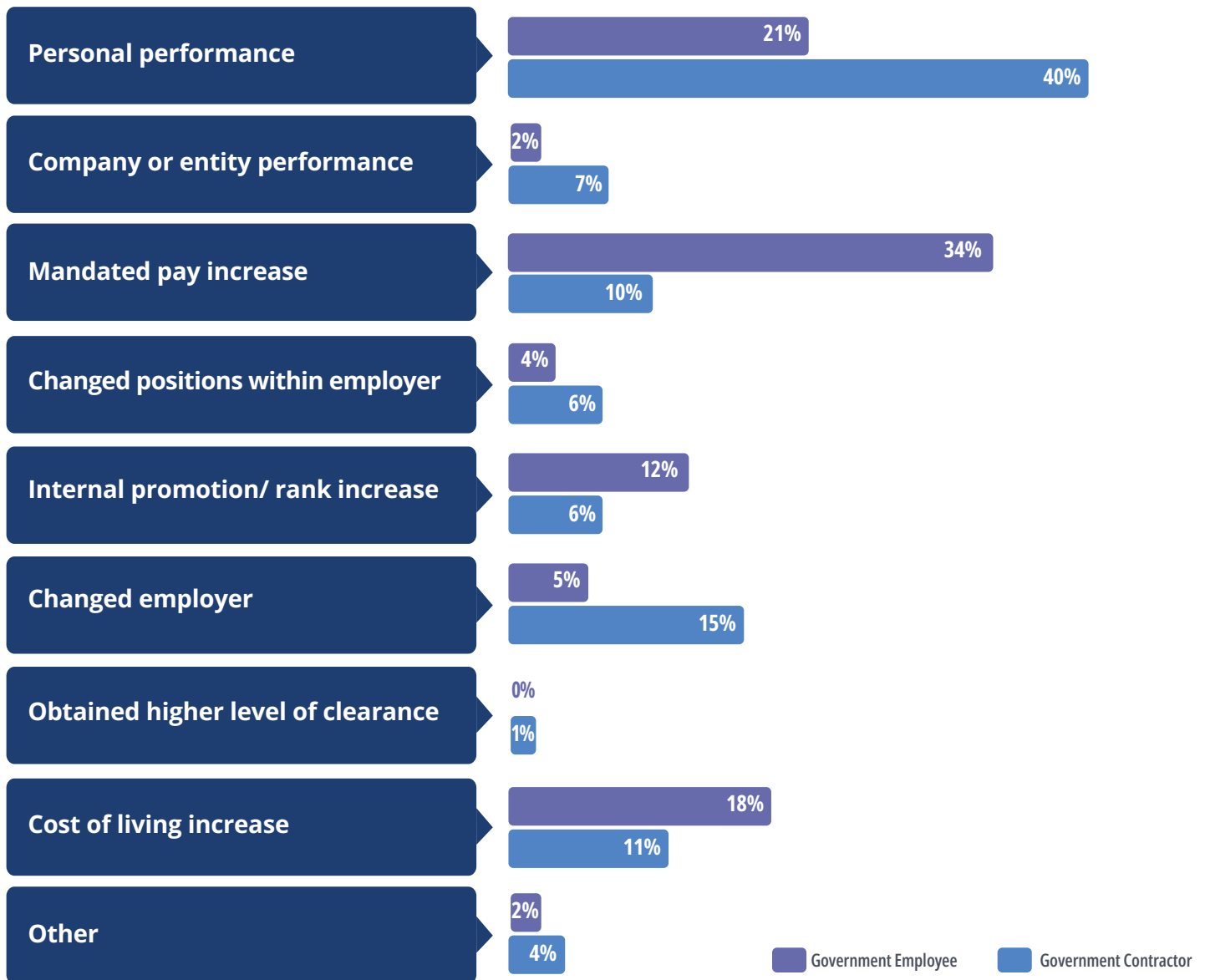
DID YOUR BASE PAY CHANGE WITH YOUR CURRENT EMPLOYER?



HOW MUCH WAS YOUR MOST RECENT CHANGE IN BASE PAY FROM YOUR CURRENT EMPLOYER?



WHAT IS THE PRIMARY REASON FOR THE INCREASE IN YOUR COMPENSATION?



CAREER MOBILITY FOR GOVERNMENT EMPLOYEES AND CONTRACTORS

The U.S. federal government has been revamping its game plan in the past few years, boosting retention, and tearing down barriers for government employees and contractors to freely swap roles. This means more expertise, more experiences, and ultimately, a stronger workforce overall. Depending on the location, being a federal employee isn't the easiest ticket to the easy life, but it opens doors to stepping into the role of a decision-maker and building a resume. That insider experience becomes the ultimate stepping stone for a later leap into the contractor world. Just remember, as experience piles up, the paycheck divide between government employees and contractors widens – a compelling reason for this dynamic duo of roles to seamlessly exchange expertise and thrive.



Important information about our survey

The 2023 Security Clearance Compensation Survey was administered online by ClearanceJobs from August 16, 2022 and December 20, 2022.

In 2022, there were 50,616 survey participants, a decrease of 3% over the 2021 survey. After excluding survey respondents not having a security clearance, those who were unemployed, active-duty military, students, those whose compensation was below \$18,000 or above \$350,000, and finally incomplete or duplicate questionnaires, there remained 22,368 usable responses in 2022 and 24,089 usable responses in 2021.

By definition, all respondents included in this analysis have an active or current security clearance issued by the U.S. federal government, are not active-duty military, are employed, and reported compensation figures between \$18,000 and \$350,000. Note that in reports completed prior to 2020, active-duty military were included in the analysis universe. Dollars are as reported in the survey year, and not adjusted for inflation. Also, prior to 2022, the high-end cap for compensation figures was \$300,000. That was increased to \$350,000 in 2022. This had a negligible impact on overall compensation figures (no impact on median, increased mean total compensation by \$546 and increased mean base pay by \$131).

Survey results are compared to the 24,089 usable responses captured in 2021 that followed the same parameters.



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95%

OF CANDIDATES IDENTIFY A COMPANY'S REPUTATION AS A KEY CONSIDERATION WHEN EXPLORING NEW CAREER OPPORTUNITIES.

93%

OF CANDIDATES SPEND AT LEAST 10 MINUTES RESEARCHING A PROSPECTIVE EMPLOYER'S BRAND

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