



Establishing Pay Equity for the Foreign Service

An Illustration of How the Typical Foreign Service Family is Impacted

John Doe has been a Foreign Service officer for five years and is married to Mary, a schoolteacher living in the Washington, D.C. area. John passionately believes in serving and representing his country overseas. John and Mary have two elementary school-age children and are paying a mortgage on their first house. John was recently informed that he has been assigned to Libya as a mid-level diplomat in the capital city of Tripoli. John and his family are ready to serve where asked.

In Washington, D.C., John earns a base salary of \$51,000 (FS-4 rank) and also receives a 20.89-percent Washington, D.C., locality-based comparability payment, worth approximately \$10,000, for a total of \$61,000. With his wife's income of \$48,000, their total family income is \$109,000.

When the Doe family arrives in Tripoli they will no longer receive locality pay (\$10,000). In addition, because Mary will most likely not be able to find meaningful employment in Libya, she will lose her salary (\$48,000), for a total loss of \$58,000 in family income. Although John will receive a hardship differential of 20 percent (\$10,200) on top of his base salary, the Does's new income of \$61,200 is still \$47,800 less than what they were earning. This pay cut is a huge burden to a family who is patriotically serving their country overseas.

You might say that in addition to hardship pay, the family will also benefit from a housing allowance. This is true, but keep in mind that the Does still have to cover their mortgage and pay property taxes on their U.S. residence, find someone to rent their home and likely hire someone to manage those arrangements, etc. In addition, housing in Libya and most developing world settings are substandard compared to what most Americans are used to. Among the chief concerns are poor construction, frequent power outages, unreliable plumbing and fuel supplies, exposed wiring, and poor security.

Thus, the housing allowance and hardship differential and other post allowances should not be considered a substitute for Washington, D.C., locality pay which is designed to bring government workers up to par with the private sector. Further, consider that numerous, frequent, and significant out-of-pocket costs of pursuing an overseas career far outweigh any benefit from government-supplied housing. For example, the Does may need to fly back to the United States for a family member's wedding, a sister's life threatening illness, a beloved relative's funeral, or for many other important

family/friend occasions not covered by authorized visitation travel. All three benefits (housing allowance, hardship differential, and locality pay) are needed.

Among other things to consider when moving overseas:

1. The environment in developing world countries is often unhealthy: Water must be boiled and filtered, and food preparation is much more time-consuming. Air pollution is often a serious concern in urban settings.
2. Schooling for the Does' two young children which will not be of the same quality as it was in the States.
3. Medical care for the family will likely be scarce or inadequate.
4. The incidence of traffic injuries and crime are higher in the developing world than in the D.C. area.
5. The risks of catching dangerous diseases such as hepatitis, tuberculosis, malaria and HIV are very real for posts in the developing world.

As if all these disincentives for overseas service were not enough, there is another critical reason that Congress needs to approve overseas comparability pay. In the event that John Doe is killed in Tripoli, Mary would receive 21 percent less in death benefits than a visitor from Washington. This is because Foreign Service death benefits are calculated on annual base pay, excluding allowances and differentials, and John's salary is 21 percent less than it would be back in the States.

In summary, our government is asking its Foreign Service personnel to take substantial salary cuts when representing their country in dangerous and stressful overseas environments. The Foreign Service are proven patriots who believe deeply in the values of the United States and are prepared and ready to serve where they are asked. They understand the risks of being committed to their duty. The pay equity problem must be corrected. It is becoming a significant morale problem in the diplomatic ranks. Patriotic families and capable individuals like John Doe and his diplomatic colleagues around the world must not be burdened with this profound unfairness. The problem will only deepen if not corrected.

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