



NEWS RELEASE

Government workers in B.C. paid 7.4 per cent higher wages than comparable private-sector workers

January 12, 2017
For Immediate Release

VANCOUVER—Government workers in B.C. receive 7.4 per cent higher wages on average than comparable workers in the private sector, and enjoy much more generous non-wage benefits, too, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

As the B.C. government prepares to table its 2017 budget, and facing mountain financial pressure from increased education spending and a cooling off in the housing sector, staff compensation—which accounts for about half of annual government program spending—should be scrutinized.

“Bringing public sector compensation in line with the private sector would not only help governments in B.C. control spending without reducing services, it would also maintain fairness for taxpayers,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of [*Comparing Government and Private Sector Compensation in British Columbia*](#).

The study finds that government employees in B.C.—including federal, provincial and municipal workers—received 7.4 per cent higher wages, on average, than comparable workers in the private sector in 2015, the most recent year of data from Statistics Canada’s Labour Force Survey.

And that wage gap takes into account differences between workers in the two sectors, such as their age, gender, education, tenure, and type of work.

But wages are only part of overall compensation. Government workers in B.C. enjoy much more generous benefits, too.

- **Pensions:** Nine of 10 government workers in B.C. (87.9 per cent) are covered by a defined benefit pension plan—which offers a guaranteed level of benefits in retirement—compared to just one of 10 workers in the private sector (8.7 per cent).
- **Early retirement:** Public-sector workers in B.C. retire 2.5 years earlier, on average, than the province’s private-sector workers.
- **Personal leave:** Government workers in B.C. are absent from their jobs for personal reasons 55 per cent more often than private sector workers—12.4 days compared to eight days.
- **Job security:** Public-sector employees in the province enjoy much more job security, and were nearly eight times less likely to experience job loss than private-sector workers—0.4 per cent compared to 3 per cent.


“Of course, governments in B.C. need to provide competitive compensation to attract qualified employees, but the fact is wages and benefits in the government sector are out of step with the private sector,” Lammam said.

(30)

MEDIA CONTACT:
Charles Lammam, Director Fiscal Studies
Fraser Institute

For interviews with Charles Lammam, or for more information, please contact:
Bryn Weese, Media Relations Specialist
Fraser Institute
604-688-0221 ext. 589
bryn.weese@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)



The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of 86 think-tanks. Its mission is to measure, study, and communicate the impact of competitive markets and government intervention on the welfare of individuals. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org