



# NEWS RELEASE

## Government employees in B.C. paid 7.5 per cent higher wages than comparable private-sector workers

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For Immediate Release

**VANCOUVER**—Government employees in B.C. received 7.5 per cent higher wages on average than comparable workers in the private sector last year, and enjoyed much more generous non-wage benefits, too, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

Understanding the wage and benefit gap between the government and private sectors is critical as the B.C. government negotiates nearly 200 new contracts (which expire early next year) affecting hundreds of thousands of government-sector employees.

“Bringing government-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 7.5 per cent higher wages, on average, than comparable workers in the private sector in 2017. And that wage gap accounts for differences between workers in the two sectors such as 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:** Nearly nine of 10 government workers in B.C. (86.3 per cent) have a defined benefit pension plan—which offers a guaranteed level of benefits in retirement—compared to less than one of 10 workers in the private sector (7.9 per cent).
- **Early retirement:** Government workers in B.C. retire 1.9 years earlier, on average, than private-sector workers.
- **Personal leave:** Government workers in B.C. are absent from their jobs for personal reasons 49 per cent more often than private-sector workers—13.7 days compared to 9.2 days.
- **Job security:** Government workers enjoy more job security, and were nearly six times less likely to experience job loss than private-sector workers—0.4 per cent compared to 2.3 per cent.

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

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