

NEWS RELEASE

Government employees in Canada get 10.6 per cent higher pay than comparable private-sector workers

December 8, 2016
For Immediate Release

VANCOUVER—Government workers in Canada continue to enjoy higher wages and more generous benefits—including earlier retirement—than their private-sector counterparts, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“With the federal government running a large deficit, and provincial and municipal governments across the country looking to control spending, bringing public sector compensation in line with the private sector would reduce financial pressure,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *Comparing Government and Private Sector Compensation in Canada*.

The study finds that government employees across Canada—including federal, provincial and municipal workers—received 10.6 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 of workers in the two sectors, such as their age, gender, education, tenure, type of work, industry, and occupation.

But wages are only part of overall compensation. Government workers across Canada enjoy much more generous non-wage benefits, too.

- **Pensions:** In 2015, 89.3 per cent of public-sector workers were covered by a registered pension plan compared to only 23.8 per cent in the private sector. Of those covered, almost all government workers (93.7 per cent) enjoyed defined-benefit pensions, which offer a guaranteed level of income and benefits in retirement, compared to just 45 per cent of private sector workers.
- **Early retirement:** Public-sector workers retired 2.3 years earlier, on average, than the country’s private-sector workers.
- **Personal leave:** Government workers were absent from their jobs for personal reasons over 60 per cent more often than private sector workers—12.7 days compared to 7.8 days.
- **Job security:** In 2015, public-sector employees were approximately seven times less likely to experience job loss than private-sector workers—0.5 per cent compared to 3.8 per cent.

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

“Closing the compensation gap would not only help governments reduce spending without affecting services, it would also increase fairness for taxpayers.”

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 think-tanks in 87 countries. 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 fraserinstitute.org