

NEWS RELEASE

Government workers across Alberta receive 5.6% higher wages, on average, than comparable private-sector workers

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For Immediate Release

CALGARY— Government workers in Alberta enjoy a wage premium and more generous benefits compared to comparable private sector workers, finds a new study published by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“At a time when governments are facing serious fiscal pressures, bringing government sector compensation in line with the private sector would help reduce costs without necessarily affecting services,” said Ben Eisen, a senior fellow with the Fraser Institute.

The study, *Comparing Government and Private Sector Compensation in Alberta, 2021*, finds that the wages of government employees in Alberta are 23.1 per cent higher, on average, than wages in the private sector in 2021, the most recent year of available comparable data from Statistics Canada’s Labour Force Survey.

After adjusting for differences such as age, gender, education, tenure, type of work, industry, and occupation, government employees are still paid 5.6 per cent higher wages (2.6 per cent when unionization is taken into account).

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

- **Pensions:** 70.7 per cent of government workers in Alberta are covered by a registered pension plan, compared to 19.2 per cent of private-sector workers. Of those covered by a registered pension plan, 94.9 per cent of government workers enjoyed a defined-benefit pension compared to 33.0 per cent of private-sector workers.
- **Early retirement:** Government workers in Alberta retire earlier than their private-sector counterparts— about 1.5 years on average—and were less likely to lose their jobs in 2021.
- **Personal leave:** In 2021, full-time workers in the government sector were absent from their jobs for personal reasons more on average (14.4 days) than private sector workers (8.9 days).
- **Job security:** In 2021, 5.0 per cent of private sector employees experienced job loss in Alberta, compared to only 1.8 per cent of government workers.

“It’s important that all levels of government in Canada—municipal, provincial and federal—continuously review expenditures with an eye to producing better value-for-money to taxpayers,” Eisen said.

“Closing the compensation gap in Alberta between the government and private sectors would reduce costs and can help ensure the long-term sustainability of government finances.”

MEDIA CONTACT:

Ben Eisen, Senior Fellow
Fraser Institute

To arrange media interviews or for more information, please contact:

Drue MacPherson, Fraser Institute

(604) 688-0221 ext. 721

drue.macpherson@fraserinstitute.org

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