



# NEWS RELEASE

## Government employees in Ontario paid 10.3 per cent higher wages than comparable private-sector workers

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For Immediate Release

**TORONTO**—Government employees in Ontario received 10.3 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.

“Bringing government-sector compensation in line with the private sector would not only help governments in Ontario control spending without reducing services, it would also maintain fairness for taxpayers,” said Ben Eisen, a Fraser Institute Senior Fellow with the Ontario Prosperity Initiative.

The study, *Comparing Government and Private Sector Compensation in Ontario*, finds that government employees in Ontario—including federal, provincial and municipal workers—received 10.3 per cent higher wages, on average, than comparable workers in the private sector in 2018. 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 Ontario enjoy much more generous benefits, too.

- **Pensions:** Nearly 8-in-10 government workers in Ontario (78.4 per cent) have a defined benefit pension plan—which offers a guaranteed level of benefits in retirement—compared to less than 1-in-10 workers in the private sector (9.8 per cent).
- **Early retirement:** Government workers in Ontario retire two years earlier, on average, than private-sector workers.
- **Personal leave:** Government workers in Ontario are absent from their jobs for personal reasons 75.6 per cent more often than private-sector workers—13.7 days compared to 7.8 days.
- **Job security:** Government workers were nearly five times less likely to experience job loss than private-sector workers—0.5 per cent compared to 2.3 per cent.

“Of course, governments in Ontario 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,” Eisen said.

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