



# NEWS RELEASE

## Government workers across Ontario receive 10.9% higher wages, on average, than comparable private-sector workers

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For Immediate Release

**TORONTO**— Government workers in Ontario 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 Ontario, 2023 Edition*, finds that the wages of government employees in Ontario are 34.4 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 10.9 per cent higher wages (8.8 per cent when unionization is taken into account).

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

- **Pensions:** 83.9 per cent of government workers in Ontario are covered by a registered pension plan, compared to 25.1 per cent of private-sector workers. Of those covered by a registered pension plan, 94.5 per cent of government workers enjoyed a defined-benefit pension compared to 36.9 per cent of private-sector workers.
- **Early retirement:** Government workers in Ontario retire earlier than their private-sector counterparts— about 2.5 years on average.
- **Personal leave:** In 2021, full-time workers in the government sector were absent from their jobs for personal reasons more on average (14.0 days) than private sector workers (8.8 days).
- **Job security:** In 2021, 5.5 per cent of private sector employees experienced job loss in Ontario, compared to only 1.3 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 Ontario 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](mailto:drue.macpherson@fraserinstitute.org)

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