

NEWS RELEASE

Government employees in Alberta receive 7.9 per cent higher wages than comparable private-sector workers

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For Immediate Release

CALGARY—With the Alberta government set to unveil another large budget deficit next week, a new study by the Fraser Institute finds that all public-sector workers in the province—including federal, provincial and municipal employees—receive higher pay, on average, than comparable workers in the private sector and enjoy more generous non-wage benefits, too.

“Compensation consumes a large chunk of any government’s annual program spending, and in the case of Alberta’s provincial government, which is struggling with persistent deficits and growing debt, closing the pay gap between public- and private-sector workers would help reduce spending without affecting services,” said Charles Lammam, director of fiscal studies at the Fraser Institute and co-author of *Comparing Government and Private Sector Compensation in Alberta*.

The study finds that government employees in Alberta—including federal, provincial and municipal workers—received 7.9 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 between workers in the public and private sectors such as age, gender, education, tenure and type of work.

But wages are only part of overall public-sector compensation, which accounts for about half of annual provincial government program spending. In fact, government workers in Alberta enjoy much more generous benefits, too.

- **Pensions:** Seven of 10 government employees in Alberta (70.8 per cent) are covered by a defined benefit pension plan—which offers a guaranteed level of benefits in retirement—compared to just one in 10 workers in the private sector (7.6 per cent)
- **Early retirement:** Government employees in Alberta retire 1.1 years earlier, on average, than the province’s private-sector workers.
- **Personal leave:** Government employees in Alberta are absent from their jobs for personal reasons 73 per cent more often than private-sector workers—10.7 days compared to 6.2 days.
- **Job security:** Government employees in the province enjoy much more job security, and are nearly 11 times less likely to experience job loss than private-sector workers—0.4 per cent compared to 4.6 per cent.

“It’s important that governments provide competitive compensation to attract qualified employees, but the fact is wages and benefits in the government sector are out of step with the private sector,” said Ben Eisen, director of the Alberta Prosperity Initiative at the Fraser Institute.

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