

NEWS RELEASE

Government workers across Atlantic Canada receive 11.9% higher wages, on average, than comparable private-sector workers

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For Immediate Release

HALIFAX— Government workers 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 Atlantic Canada, 2021*, finds that the wages of government employees in Atlantic Canada are 38.0 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 11.9 per cent higher wages (7.2 per cent when unionization is taken into account).

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

- **Pensions:** Public-sector workers in all Atlantic provinces are much more likely to be covered by a registered pension plan (RPP): fewer than 30 per cent of private-sector workers were covered by an RPP in 2021 compared to more than 70 per cent of workers in the public sector. Of those covered by an RPP, the share of defined benefit pension is much higher in the public sector than the private sector in all Atlantic provinces except New Brunswick.
- **Early retirement:** Government workers in Atlantic Canada retired between 3.0 years (Nova Scotia) and 4.4 years (Newfoundland & Labrador) earlier on average than their private-sector counterparts.
- **Personal leave:** In 2021, full-time workers in the government sector were absent from their jobs for personal reasons more on average (15.2 days to 16.5 days) than private sector workers (9.3 to 11.3 days).
- **Job security:** The rate of job loss was also lower in all four Atlantic provinces’ public sector (from 0.6 to 1.1 per cent) than their private sectors (from 4.2 to 7.8 per cent).

“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 Atlantic Canada between the government and private sectors would reduce costs and can help ensure the long-term sustainability of government finances.”

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MEDIA CONTACT:

Ben Eisen, Senior Fellow
Fraser Institute

Alex Whalen, Senior Economist
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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