

Are public-sector workers in Alberta “overpaid” compared to private sector workers?

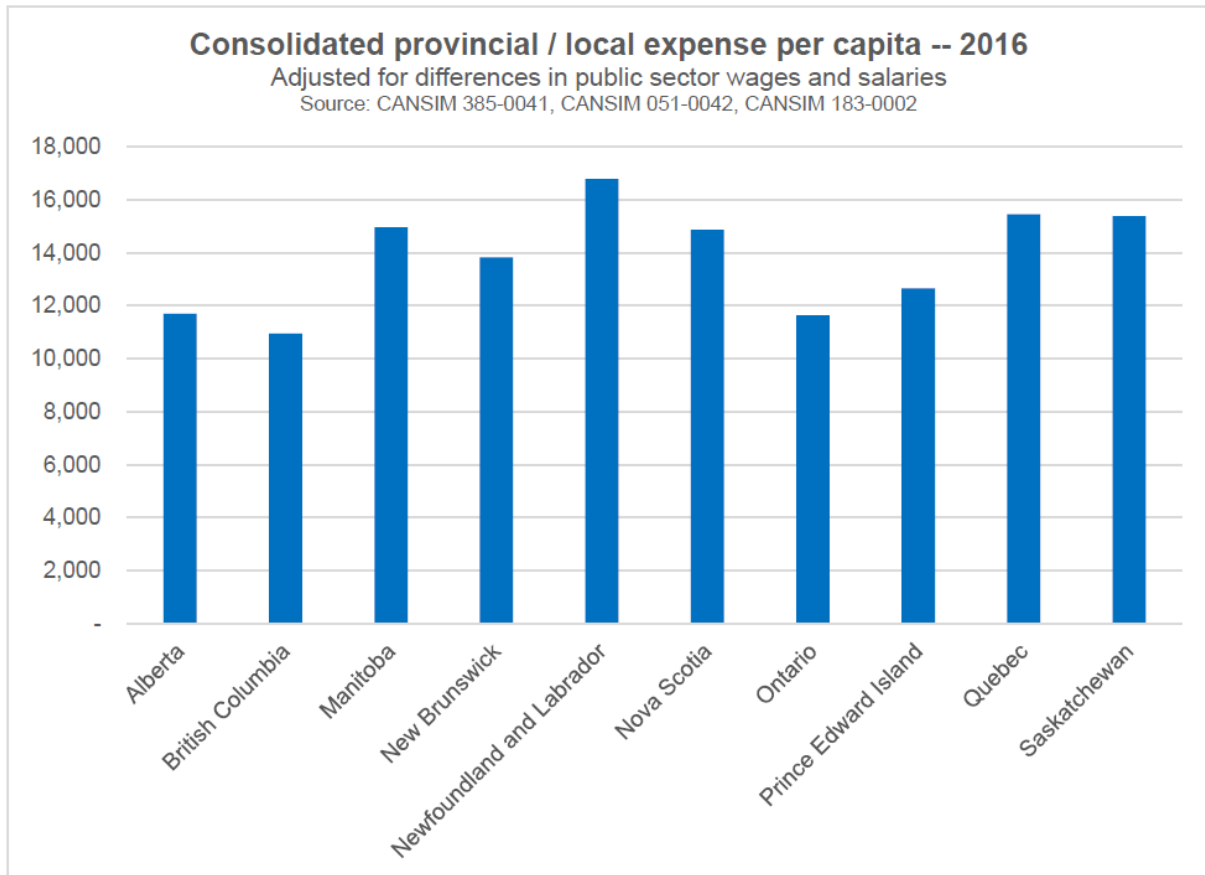
From our analysis of census 2016 data, Alberta is the only province that has a private sector pay advantage of 2.1%. Where higher public sector wages do exist, they are to the benefit of those who are often unfairly under-paid in the private sector. Women, visible minorities, and young people all enjoy higher compensation in the public sector than in the private sector when compared by similar occupations. This is an accomplishment of unions and collective bargaining that ensure fair pay for all workers. And it’s something to celebrate, not criticize.

Census 2016- Alberta Public and Private Sector- Full time, Yearly Average Salary

| Alberta | Public Workers | Private Sect. Workers | Public Average | Private Average | % Diff |
|---------|----------------|-----------------------|----------------|-----------------|--------|
| Female | 94,280 | 255,090 | \$ 67,010 | \$ 66,210 | 1.2% |
| Male | 47,230 | 353,405 | \$ 91,140 | \$ 97,510 | -7.0% |
| Total | 141,510 | 608,495 | \$ 75,070 | \$ 76,650 | -2.1% |

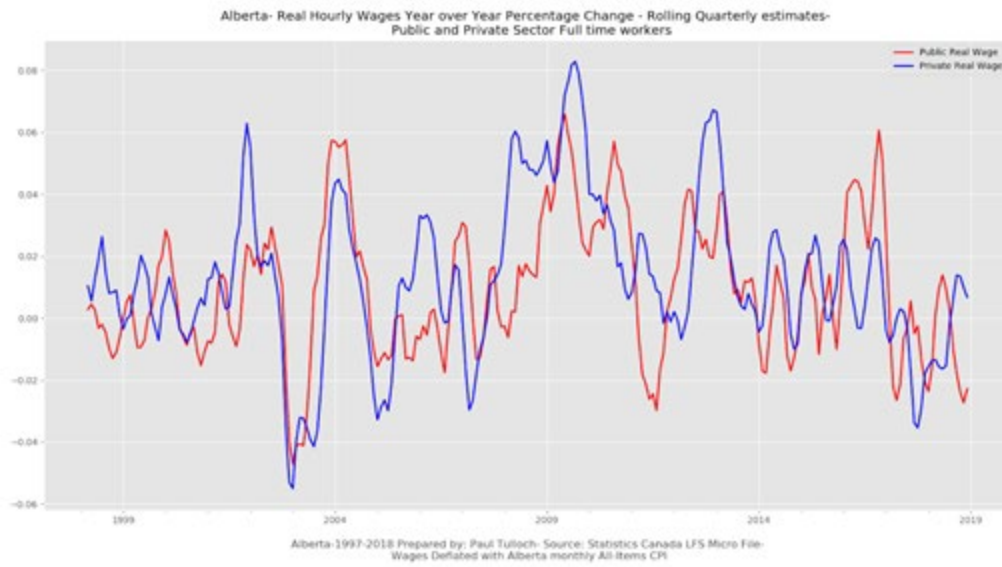
How do public-sector wages in Alberta compare to public-sector wages in other provinces?

All Albertans get paid more than other Canadians, which generally makes our public service seem more expensive. On average, workers in Alberta make an average hourly wage \$30.76 compared to the \$26.90 Canadian average (StatsCan Table: 14-10-0307-01). After adjusting for the cost of labour, Alberta’s public spending per capita ranks 8th in Canada, higher only than British Columbia and Ontario.



Have public-sector workers in Alberta been getting bigger wage increases than private sector workers?

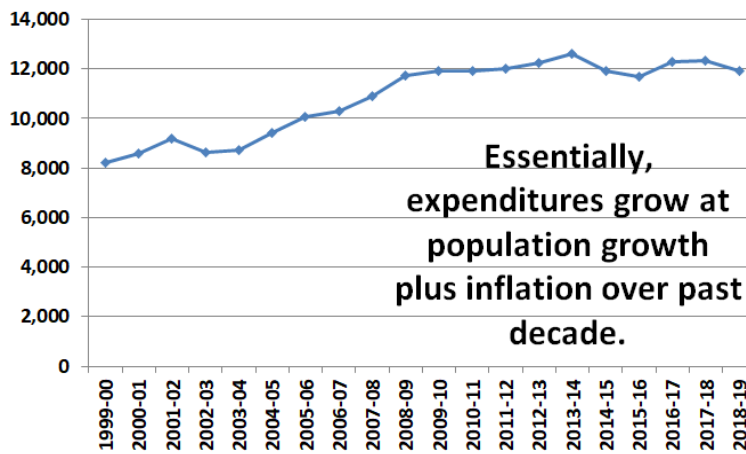
Conservatives often say that public-sector workers in Alberta should “share the pain” being felt by private-sector workers. However, the truth is that public-sector workers in Alberta have not always “shared the gain” enjoyed by private-sector workers during boom times. In a number of instances, public sector increases have lagged considerably behind increases in the private sector. Public-sector wage increases have also never hit the absolute peaks that private sector wage increases have attained. Nurses, teachers, and healthcare professionals have all recently taken two years of zero salary increases which is currently driving wages down while private sector wages are seeing a recovery.



Have public-sector salaries caused the deficit?

Alberta’s deficit is a political choice perpetuated by successive governments since the 1970s to fund low taxes with volatile non-renewable resource revenue. Alberta governments have relied on this revenue to cover up to 25 percent of their operating costs instead of saving these windfalls for future generations, and we’ve used them to keep our taxes far below the Canadian average. Alberta also spends close to the Canadian average on public services and that amount has only increased at the rate of inflation and population growth. Our deficits are not the result of public sector wages, or public sector spending, they’re a result of political choices. Frontline workers should not have to pay for Kenney’s giveaway to profitable corporations, nor shoulder the burden of addressing Alberta’s deficit. If the intention is to address the deficit, the UCP should consider NOT reducing revenue through planned corporate income tax cuts. And they SHOULD consider raising taxes to something closer to the Canadian average.

Consolidated program expenditure per capita in real 2016 dollars



Source: Prof. Melville L McMillan, University of Alberta Dept of Economics, presentation to Parkland Institute Annual Fall Conference, November 2018

What's wrong with simply deferring arbitration on wages?

Contracts are legally-binding documents. By using the bully power of the state to contravene those contracts, they are thumbing their nose at the rule of law and essentially saying that there's one set of rules for their friends and another set of rules for everyone else. The right to join unions and bargain collectively with employers on things like wages and benefits is a constitutionally protected right in Canada. With this legislation, the UCP is making it clear that they want to ignore those rights.

What will cutting public sector wages do to the Alberta economy?

Cutting wages for thousands of workers who provide the services that keep our communities and economy moving won't strengthen our economy or create jobs, it will do the opposite. With consumer spending accounting for over 60% of the economy, keeping money in the pockets of consumers is crucial to our ongoing recovery. Suppressing public sector wages will also drag down private sector wages, since actions in one sector reverberate across the whole economy.