



RÉMUNÉRATION DES SALARIÉS. ÉTAT ET ÉVOLUTION COMPARÉS 2011

MAIN FINDINGS

Salaries and total compensation

All other Quebec employees

In 2011, the average salaries of Quebec government employees¹ are 11.3% lower than those of other Quebec employees when all the benchmark jobs covered by the comparison are considered. In all, 59 of the 76 jobs are behind; these jobs represent 77% of the employees covered. All the occupational categories except service employees have lower salaries in the Quebec government, with differentials varying from - 11.8% for office employees to - 27.8% for manual workers. Service employees in the Quebec government are on a par with their counterparts in the rest of the labour market.

When total compensation is compared, Quebec government employees are behind other Quebec employees by 6.1% in the benchmark jobs overall. They have lower total compensation in 51 of the 76 jobs, representing 57% of the employees covered, and in four of the five occupational categories studied. Service employees are ahead by 9.1%. In the benchmark jobs overall, the Quebec government is further behind for salaries than for total compensation, despite lower costs for benefits in that sector, because employees have fewer hours at work than their counterparts in the rest of the labour market. This is also the case for three occupational categories: professionals, technicians and office employees.

Private sector

Quebec government employees' salaries are 8.3% lower than those of their counterparts in the private sector in the benchmark jobs overall. The Quebec government is behind in 44 of the 73 jobs studied; these jobs represent 58% of the employees covered. Four occupational categories have lower salaries in the Quebec government, with differentials ranging from - 7.7% to - 28.9%. Service employees in the two sectors are on a par.

With regard to total compensation, the Quebec government is on a par with the private sector for the benchmark jobs overall. This status is present in 31 of the 73 jobs, representing 33% of the employees covered. Professionals, technicians and office employees in the two sectors are on a par, while service employees in the Quebec government are ahead by 13.5 % and manual workers are behind by 24.1%. In the benchmark jobs overall and in all the occupational categories, Quebec government employees are in a better comparative position for total compensation than for salaries because they have fewer hours at work than their counterparts in the private sector.

¹The Quebec government includes the Quebec public service, the education sector (school boards and colleges) and the health and social services sector (hospitals and other establishments).

“Other public” sector

The salaries of Quebec government employees are behind those of their counterparts in the “other public” sector² by 17.7% in the benchmark jobs overall. Lower salaries are noted in 72 of the 74 jobs studied; these jobs represent 99% of the employees covered. All the occupational categories are behind, with differentials varying from - 15.5% for professionals to - 26.8% for manual workers.

With regard to total compensation, Quebec government employees are behind those in the “other public” sector by 23% in the benchmark jobs overall. Lower total compensation is noted in 70 of the 74 jobs, representing 97% of the employees covered. As in the salary comparison, the Quebec government is behind in all the occupational categories, with differentials varying from - 18.6% to - 38.3%. In the benchmark jobs overall and for professionals, technicians and office employees, the Quebec government is further behind for total compensation than for salaries, despite the fact that Quebec government employees have fewer hours at work, because the costs for benefits are lower in that sector.

Municipal government sector

In the benchmark jobs overall, salaries in the Quebec government are 16.1% lower than those in the municipal government sector. The Quebec government is behind in 58 of the 59 jobs studied; these jobs represent 99% of the employees covered. Quebec government employees’ salaries are lower in all the occupational categories, with differentials varying from - 11.6% to - 27.8%.

When total compensation is compared, the Quebec government is behind the municipal government sector by 29.2% in the benchmark jobs overall. Lower total compensation is noted in 58 of the 59 jobs, representing almost all the employees covered. As in the salary comparison, the Quebec government is behind in all the occupational categories, with differentials varying from - 27.4% to - 41.9%. In the benchmark jobs overall, the Quebec government is further behind for total compensation than for salaries because costs for benefits are lower in that sector and Quebec government employees have more hours at work than their counterparts in the municipal government sector.

“Government business enterprises” sector

Quebec government employees’ salaries are 20.9% lower than those in the “government business enterprises” sector in the benchmark jobs overall. The Quebec government is behind in all the occupational categories and in 53 of the 62 jobs studied, representing 90% of the employees covered. The differentials range from - 16.3% for professionals to - 30.4% for manual workers.

With regard to total compensation, Quebec government employees are behind their counterparts in the “government business enterprises” sector by 30.8% in the benchmark jobs overall. In all, 50 of the 62 jobs have lower total compensation in the Quebec government; these jobs represent 87% of the employees covered. All five occupational categories are behind, with differentials varying from - 23.9% to - 41.8%. In the benchmark jobs overall, Quebec government employees are further behind for total compensation than for salaries, despite the fact that they have fewer hours at work, because costs for benefits are lower in the Quebec government.

²For the purposes of the compensation comparison, the “other public” sector includes the business enterprises of the three levels of government in Quebec, as well as universities, municipal governments (populations of 25 000 or more) and the federal government in Quebec.

University sector

In the benchmark jobs overall, Quebec government salaries are behind those in the university sector by 7.7%. Lower salaries are observed in 46 of the 59 benchmark jobs studied; these jobs represent 87% of the employees covered. Quebec government employees' salaries are lower in all five occupational categories, with differentials varying from - 4.6% for technicians to - 10.1% for service employees.

When total compensation is compared, the Quebec government is behind the university sector by 8.3% in the benchmark jobs overall. In all, 46 of the 59 jobs have lower total compensation in the Quebec government; these jobs represent 88% of the employees covered. All five occupational categories are behind, with differentials varying from - 3.1% to - 14.5%. In the benchmark jobs overall, the Quebec government's comparative position is weaker for total compensation than for salaries because costs for benefits are lower in that sector.

Federal government

Quebec government employees' salaries are 18.5% lower than those of their federal counterparts in Quebec in the benchmark jobs overall. The Quebec government is behind in the 54 of the 55 jobs studied. All five occupational categories are behind; the differentials vary from - 16.9% for office employees to - 28.9% for manual workers.

With regard to total compensation, Quebec government employees are behind their federal counterparts by 18.5% in the benchmark jobs overall. They have lower total compensation in 54 of the 55 jobs. All five occupational categories are behind, with differentials varying from - 16.3% to - 30.9%. For the benchmark jobs overall and for technicians, office employees and manual workers, Quebec government employees are further behind for total compensation than for salaries, despite the fact that they have fewer hours at work than their federal counterparts, because costs for benefits are lower in the Quebec government.

Other unionized Quebec employees

In the benchmark jobs overall, Quebec government employees' salaries are 16% lower than those of other unionized Quebec employees. The Quebec government is behind in 65 of the 75 jobs studied; these jobs represent 87% of the employees covered. All the occupational categories except service employees have lower salaries in the Quebec government, with differentials varying from - 15.4% for professionals to - 28.9% for manual workers. Service employees in the two sectors are on a par.

When total compensation is compared, Quebec government employees are behind other unionized Quebec employees by 18.7% in the benchmark jobs overall. Lower total compensation is noted in 61 of the 75 jobs, representing 84% of the employees covered. Four of the five occupational categories are behind, with differentials varying from - 16.6% for technicians to - 31.3% for manual workers. Service employees in the two sectors are on a par. In the benchmark jobs overall, Quebec government employees are further behind for total compensation than for salaries, despite the fact that they have fewer hours at work, because their employer spends less for benefits.

Non-unionized Quebec employees

Quebec government employees' salaries are 5.2% lower than those of non-unionized employees in the rest of Quebec's labour market in the benchmark jobs overall. This status is observed in 39 of the 72 jobs studied; these jobs represent 39% of the employees covered. The Quebec government is behind in four of the five occupational categories, with differentials ranging from - 3.7% to - 15.9%. Quebec government service employees are ahead by 13.1%.

With regard to total compensation, Quebec government employees are ahead of non-unionized Quebec employees by 6.2% in the benchmark jobs overall. Their total compensation is greater in 25 of the 72 jobs, representing 59%

of the employees covered. Quebec government office employees and service employees are ahead, by 8.5% and 22.5% respectively. Professionals, technicians and manual workers in the two sectors are on a par. In the benchmark jobs overall, Quebec government employees are in a better comparative position for total compensation than for salaries because they have fewer hours at work than their non-unionized counterparts in the rest of the labour market. For service employees, lower costs for benefits in the Quebec government add to the explanation.

Unionized private sector

In the benchmark jobs overall, Quebec government employees' salaries are 12.7% lower than those of unionized employees in the private sector. Lower salaries are observed in 35 of the 56 jobs studied; these jobs represent 65% of the employees covered. The Quebec government is behind in three occupational categories, with differentials varying from - 11.8% to - 31.0%. Professionals and service employees in the two sectors are on a par.

When total compensation is compared, Quebec government employees are behind unionized employees in the private sector by 9.4% in the benchmark jobs overall. They have lower total compensation 29 of the 56 jobs, representing 53% of the employees covered. The Quebec government is behind in three occupational categories: technicians (- 8.5%), office employees (- 19.3%) and manual workers (- 28.0%). Professionals and service employees in the two sectors are on a par. In the benchmark jobs overall, Quebec government employees are further behind for salaries than for total compensation, despite lower costs for benefits in that sector, because they have fewer hours at work than unionized employees in the private sector.

Non-unionized private sector

In the benchmark jobs overall, Quebec government employees' salaries are 4.8% lower than those of non-unionized employees in the private sector. Lower salaries are observed in 36 of the 71 jobs studied; these jobs represent 38% of the employees covered. The Quebec government is behind in four of the five occupational categories, with differentials varying from - 3.5 % to - 15.6 %, while service employees in the Quebec government are ahead by 13.3%.

With regard to total compensation, the Quebec government is ahead of the non-unionized private sector by 7.3% in the benchmark jobs overall. Greater total compensation is noted in 27 of the 71 jobs, representing 61% of the employees covered. Three of the five occupational categories are ahead: technicians (3.6%), office employees (9.3%) and service employees (22.7%). Professionals and manual workers in the two sectors are on a par. In the benchmark jobs overall and in all the occupational categories, the Quebec government is in a better comparative position for total compensation than for salaries because employees have fewer hours at work in that sector. For service employees, lower costs for benefits in the Quebec government add to the explanation.

Salary scales

The job rates (normal maximums) of the salary scales of Quebec government professionals, technicians and office employees are lower than those of other Quebec employees as a whole. The Quebec government is also behind for salaries in the three occupational categories considered. Quebec government professionals' comparative position is more favourable for job rates than for salaries. The opposite is true of Quebec government office employees: they are further behind for job rates than for salaries, as they are positioned higher within their salary scales than other Quebec employees in the same occupational category.

The job rates of Quebec government technicians and office employees are lower than those of their counterparts in all the sectors studied. Office employees in the Quebec government are in a more favourable position for salaries than for job rates in comparison with 8 of the 10 sectors. This situation is explained by the fact that Quebec government office employees are positioned higher within their salary scales than their counterparts in the sectors concerned, with the exception of the municipal government sector.

For technicians, the comparison of the Quebec government's situation with regard to job rates and salaries produces more diverse results. There is no significant difference between the differentials noted for job rates and for salaries in comparison with five sectors. The comparative situation of the Quebec government is more favourable for salaries than for job rates in relation to four sectors, while the opposite is true in relation to two sectors. Quebec government technicians are positioned higher within their salary scales than their counterparts in most of the sectors studied (7 of the 10 sectors).

Quebec government professionals have lower job rates than their counterparts in all sectors except those in the unionized private sector, with whom they are on a par. Their position within their salary scales is similar to that of their counterparts in five sectors, while they are positioned higher within their scales than professionals in three sectors. Moreover, Quebec government professionals are in a more favourable position for job rates than for salaries in comparison with eight sectors, while the opposite is true in comparison with one sector.

Approximately 63% of the professionals, 48% of the technicians and 36% of the office employees in the private sector who are paid according to a salary scale benefit from merit maximums. These proportions reach 60% for non-unionized technicians in the private sector and 43% for non-unionized office employees in that sector. On the other hand, Quebec government salary scales have no merit maximums.

Benefits and paid time off

The employer's total costs for benefits and paid time off in the Quebec government are similar to the amounts spent on those elements for other Quebec employees as a whole, for unionized employees in the private sector and for employees in the university sector. The Quebec government's expenditures are greater (40.2% of the salary) than the amounts spent for employees in the private sector as a whole and the non-unionized private sector, as well as for non-unionized Quebec employees as a whole. Costs in those sectors vary from 33.6% to 35.8% of the salary. On the other hand, the Quebec government's total costs are lower than those in the following sectors: other unionized employees in Quebec and the "other public" sector and its components, excluding the university sector. Costs vary from 45.6% to 52.0% of the salary in those sectors.

When benefits are considered separately from paid time off, the employer's costs in the Quebec government (23.4%) are lower than the amounts spent by employers in the following sectors: other Quebec employees as a whole, other unionized employees in Quebec, the unionized private sector, the "other public" sector, the municipal government sector, the university sector, the federal government and government business enterprises. Costs for benefits represent 24.0% to 34.5% of the salary in those sectors. This situation is explained by higher costs for insurance plans in all those sectors, as well as higher pension-plan costs.

The Quebec government's costs for benefits are similar to those of the private sector. However, the Quebec government spends more for benefits than the employers of non-unionized Quebec employees as a whole and non-unionized employees in the private sector. This difference is explained mainly by higher costs for pension plans and reimbursement of unused sick leave in the Quebec government, despite lower costs for insurance plans in that sector.

With regard to paid time off, the Quebec government's expenditures, at 16.8% of the salary, are higher than the amounts spent on this element in the following sectors: other Quebec employees as a whole (unionized and non-unionized), the private sector (unionized and non-unionized), the university sector and government business enterprises. On the other hand, the Quebec government spends less in this regard than employers in the "other public" sector and two of its components: the municipal and federal government sectors.

Hours of work

Quebec government employees have a normal workweek of nearly 36 hours, almost one and a half hours shorter than that of other Quebec employees as a whole. Quebec government employees' normal workweek is shorter than that of all other unionized and non-unionized Quebec employees and those of the private sector (unionized and non-unionized), the "other public" sector, the federal government and the "government business enterprises" sector. However, it is longer than that of the municipal government and university sectors.

Hours at work (obtained essentially by subtracting paid time off from normal hours of work) amount to nearly 30 hours per week in the Quebec government. Quebec government employees have more hours at work than their counterparts in the municipal government sector, while their hours at work are similar to those in the university sector. They have fewer hours at work than their counterparts in all the other sectors studied. The greatest difference (three and a half fewer hours per week for the Quebec government) is observed in comparison with the non-unionized private sector.

Evolution of the comparison

Between 2010 and 2011, Quebec government employees' comparative situation with regard to salaries remained stable in relation to other Quebec employees as a whole in the benchmark jobs overall. This finding is the same in relation to 5 of the other 10 sectors studied: the private sector, the municipal government sector, the university sector, other unionized Quebec employees and the unionized private sector.

The Quebec government's comparative situation with regard to salaries weakened in relation to the "other public" sector (- 1.0 percentage point) and two of its sub-sectors: government business enterprises (- 3.7 percentage points and the federal government (- 0.3 percentage point). It also weakened in relation to non-unionized Quebec employees, with differentials of - 1.7 percentage point in relation to this group as a whole and - 1.6 percentage point in relation to the non-unionized private sector.

For total compensation, Quebec government employees' comparative situation also remained stable between 2010 and 2011 in relation to other Quebec employees as a whole and seven other sectors. In relation to the "government business enterprises" and federal government sectors, the comparative situation of the Quebec government weakened, with differentials of - 3.8 and - 0.2 percentage points respectively. On the other hand, in relation to the university sector, the Quebec government's comparative situation improved, with a differential of 1.9 percentage point.

When the years 2007 and 2011 are considered, Quebec government employees' comparative situation for salaries remained stable in relation to other Quebec employees as a whole and in relation to the private sector and other unionized Quebec employees. On the other hand, their comparative position weakened in relation to the "other public" sector (- 3.7 percentage points) and non-unionized Quebec employees (- 3.8 percentage points).

Quebec's economy: weaker growth than expected

Quebec's economy registered a 2.9% growth in 2010. In the first half of 2011, Quebec's real gross domestic product (GDP) grew at a somewhat slower pace of 1.5%. In fact, after growing by 0.8% in the first quarter of 2011, the economy declined by 0.2% in the second quarter. The sovereign debt crisis in the European countries and the poor state of US public finances affected Canada's economy and consequently Quebec's.

Growth in 2011 is supported by personal expenditures on consumer goods and services, fixed-capital investment, and government and business investment in machinery and equipment. However, it is slowed by the foreign-trade balance deficit resulting from the strong dollar and the slow recovery of the US economy. Analysts anticipate slower growth than originally expected for both 2011 and 2012. Production is supported mainly by consumer spending and business investment, which have also been revised downward.

Domestic demand continues to grow

Consumer spending started to increase again in 2010 (+ 3.7%). However, the trend has not continued, as it grew at a slower pace (2.1%) for the first half of 2011 compared with the same period in 2010. For 2012, analysts are forecasting slower growth than in 2010.

Investments in the first half of 2011 (+ 7.8%) continued to grow at a faster pace, already evident in 2010 (+ 9.0%). This acceleration is explained investment in machinery and equipment by governments and businesses. Analysts are anticipating a strong rise in business investment in 2011 and a slowdown in 2012.

Government current expenditures increased by 1.7% in 2010. They continued to grow by 1.5% in the first half of 2011. Analysts anticipate growth of 1.5% to 2.4% in 2011 and less than 2.0% in 2012.

After registering a deficit balance in 2010, foreign trade continues to slow GDP growth in 2011. In the first half of 2011, import growth (+ 4.1%) was greater than export growth (- 0.1%) because of the strong Canadian dollar. Analysts predict weak growth, or even a decline, for exports in 2011, followed by an increase in 2012, while imports are expected to increase in 2011 and 2012.

The dollar remains strong

In 2010, the Canadian dollar was near par with the American dollar (97.1 cents). For the first nine months of 2011, it surpassed the American dollar, at a record high of 102.6 cents.

For the first nine months of 2011 (+ 3.1%), inflation was higher than in 2010 (+ 1.2%). Inflation at the beginning of 2011 resulted mainly from soaring energy costs, particularly for gasoline and fuel oil. Inflation should remain steady in 2011 because of energy cost pressures. The inflation rate was 2.5% in the first quarter, 3.2% in the second quarter and 3.4% in the third quarter of 2011.

The rate for three-month Treasury Bills rose from 0.6% in 2010 to 0.9% for the first nine months of 2011. The trend is downward, from 1% in the first quarter of 2011 to 0.9% in the third quarter.

Analysts are forecasting higher inflation in 2011 than in 2012, while interest rates in 2011 are expected to be lower than in 2012. The Canadian dollar should remain near par with the US dollar in both 2011 and 2012.

Employment progresses

In 2010, employment grew by 1.7% (+ 66 700), after a decline of 0.8% in 2009. Both part-time jobs (+ 37 500; + 5.2%) and full-time jobs (+ 29 200; + 0.9%) contributed to this increase. Only the service sector generated new jobs (+ 83 500; + 2.8%), while the goods sector registered a loss (- 16 800; - 1.9%) for a second year.

Net job creation in 2010 benefited men (+ 49 100) more than women (+ 17 700). The 55 and over age group (+ 35 900) obtained a large share of the new jobs; the 15-24 and 25-54 age groups obtained 18 800 and 11 900 jobs respectively.

The unemployment rate for 2010 was 8.0%, down 0.5 percentage point from 2009, but higher than the rate recorded for 2008 and 2007 (7.2%). This was the first time since the beginning of the chronological series that Canada's unemployment rate was the same as Quebec's.

The employment rate was 60.2% in 2010, up from 59.8% in 2009. The labour-force participation rate was up slightly, at 65.4% in 2010, compared with 65.3% in 2009.

For the first nine months of 2011, employment grew by 1.5% (+ 57 100), while the average unemployment rate was 7.6%. For 2011 as a whole, analysts are forecasting employment growth between 1.3% and 1.6% and an unemployment rate between 7.5% and 7.7%. They expect a slight slowdown in employment growth in 2012 and a decline in the unemployment rate³.

Salary trends

Negative real salary growth for all unionized employees in 2011

Average salary-scale increases for unionized Quebec employees as a whole indicate a 1.4% loss of purchasing power for the first two quarters of 2011.

Negative real salary growth is observed in all the sectors analyzed. Losses in purchasing power range from 0.3% in the municipal sector⁴ to 2.0% in the Quebec government. These results are largely explained by the strong growth of the consumer price index (CPI) for the first six months of 2011 (2.9%).

Very high proportion of salary increases lower than the inflation rate

In 2011, increases allocated to the salary structures of unionized employees in the Quebec government and Quebec government business enterprises are lower than the growth of the CPI; this was also the case in 2010 for the Quebec government. In the other sectors, the proportion of employees receiving this type of increase varies from 57.7% in the municipal sector to 98.8% in the federal sector⁵.

The proportion of unionized employees obtaining increases to their salary structures equal to or greater than the growth of the CPI is very low in 2011, except in the private and municipal sectors. In 2010, the situation was different, with the proportion of employees outside the Quebec government receiving this level of increase ranging from 87.3% to 100.0%.

3 For a better overview of the economic environment in Quebec, the reader can consult the Institut's publications on economic and labour-market indicators, in particular *l'État du marché du travail au Québec. Bilan du marché du travail*. This publication presents a portrait of the labour-market indicators for the last full year. It is produced each year by the Institut and made public in the spring.

4 For the study of salary trends, the municipal sector includes municipalities and municipal business enterprises.

5 For the study of salary trends, the federal sector includes the federal government and federal government business enterprises in Quebec.

Salary freezes or reductions apply to barely 1% of unionized Quebec employees; all the employees affected are in the private sector.

Recently signed agreements: similar rates for employees outside the Quebec government

The latest agreements signed provide an indication of how salaries will evolve. The total salary increases for the Quebec government are not included in the databank of the Ministère du Travail. Consequently, the analysis is based on unionized employees outside the Quebec government.

The agreements signed in 2011 for unionized employees outside the Quebec government grant an average annual salary increase similar to that of 2010 (2.4% vs. 2.3%). Higher increases are also observed in the private and municipal sectors, while increases are lower in 2011 in the university sector and government business enterprises.

In the 2011 agreements, 73.4% of unionized employees outside the Quebec government receive average annual increases of 1.5% or more. This proportion is lower than in 2010 (94.1%).

Similar projections for 2011 and 2012

According to the salary projections established by the Institut, Quebec employees as a whole (unionized and non-unionized) are expected to receive salary-scale increases of 1.6% in 2011 and 1.8% in 2012.

For unionized Quebec employees as a whole, the projected increase is 1.5% in both 2011 and 2012. The municipal sector is the only one where projections are notably different for 2011 and 2012; the projected increase for 2011 is 1.2 percentage point higher.

For non-unionized employees, the projected average salary-scale increases (1.7% for 2011 and 2.0% for 2012) are higher than those for unionized employees for both years.

Taking inflation forecasts into account, employees in all sectors should see negative real salary growth in 2011. In 2012, a loss of purchasing power is expected for non-unionized employees and unionized employees of the Quebec government, Quebec government business enterprises and the municipal sector, while a gain in purchasing power is anticipated for employees in the private sector. For the Quebec government, the salary projection is calculated based on fixed parameters for salary-scale increases. For 2012, the parameters related to economic growth are not taken into account.

November 2011