



RÉMUNÉRATION DES SALARIÉS. ÉTAT ET ÉVOLUTION COMPARÉS 2012

MAIN FINDINGS

Salaries and total compensation

All other Québec employees

In 2012, the average salaries of Québec government employees¹ are 11.2% lower than those of other Québec employees when all the benchmark jobs covered by the comparison are considered. In all, 58 of the 76 jobs are behind; these jobs represent 75% of the employees covered. All the occupational categories except service employees have lower salaries in the Québec government, with differentials varying from - 11.6% for office employees to - 28.8% for manual workers. Service employees in the Québec government are on a par with their counterparts in the rest of the labour market.

When total compensation is compared, Québec government employees are behind other Québec employees by 6.1% in the benchmark jobs overall. They have lower total compensation in 47 of the 76 jobs, representing 53% of the employees covered, and in four of the five occupational categories studied. Service employees in the two sectors are on a par. In the benchmark jobs overall, the Québec 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

Québec government employees' salaries are 7.8% lower than those of their counterparts in the private sector in the benchmark jobs overall. The Québec government is behind in 48 of the 74 jobs studied; these jobs represent 61% of the employees covered. Four occupational categories have lower salaries in the Québec government, with differentials ranging from - 6.1% to - 32.2%. Service employees in the two sectors are on a par.

With regard to total compensation, the Québec government is ahead of the private sector by 3.3% for the benchmark jobs overall. This status is observed in 23 of the 74 jobs, representing 57% of the employees covered. Québec government professionals and office employees are ahead of their private-sector counterparts by 4.2% and 6.2% respectively. Technicians and service employees in the two sectors are on a par, while manual workers in the Québec government are behind by 29.4%. In the benchmark jobs overall and in the case of professionals, technicians and office employees, Québec 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.

1. The Québec government includes the Québec 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 Québec government employees are behind those of their counterparts in the “other public” sector² by 19.6% 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 - 17.7% for professionals to - 29.0% for manual workers.

With regard to total compensation, Québec government employees are behind those in the “other public” sector by 26.2% in the benchmark jobs overall. Lower total compensation is noted in 73 of the 74 jobs, representing 99% of the employees covered. As in the salary comparison, the Québec government is behind in all the occupational categories, with differentials varying from - 21.6% to - 42.4%. In the benchmark jobs overall and in the case of professionals, technicians and office employees, the Québec government is further behind for total compensation than for salaries, despite the fact that Québec 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 Québec government are 18.6% lower than those in the municipal government sector. The Québec government is behind in 64 of the 65 jobs studied; these jobs represent 99% of the employees covered. Québec government employees’ salaries are lower in all the occupational categories, with differentials varying from - 14.8% to - 30.1%.

Québec government employees’ total compensation is behind that of their counterparts in the municipal government sector by 33.6% in the benchmark jobs overall. This status is observed in each of the benchmark jobs. As in the salary comparison, the Québec government is behind in all the occupational categories, with differentials varying from - 31.3% to - 47.9%. In the benchmark jobs overall, the Québec government is further behind for total compensation than for salaries because costs for benefits are lower in that sector and Québec government employees have more hours at work than their counterparts in the municipal government sector.

“Government business enterprises” sector

Québec government employees’ salaries are 22.7% lower than those in the “government business enterprises” sector in the benchmark jobs overall. The Québec government is behind in all the occupational categories and in 55 of the 63 jobs studied, representing 91% of the employees covered. The differentials range from - 18.9% for professionals to - 31.5% for manual workers.

With regard to total compensation, Québec government employees are behind their counterparts in the “government business enterprises” sector by 33.1% in the benchmark jobs overall. In all, 51 of the 63 jobs have lower total compensation in the Québec government; these jobs represent 88% of the employees covered. All five occupational categories are behind, with differentials varying from - 26.4% to - 42.7%. In the benchmark jobs overall, and in the case of professionals and technicians, Québec 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 Québec government.

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

University sector

In the benchmark jobs overall, Québec government salaries are behind those in the university sector by 8.9%. Lower salaries are observed in 45 of the 59 benchmark jobs studied; these jobs represent 83% of the employees covered. Québec government employees' salaries are lower in all five occupational categories, with differentials varying from - 6.2% for technicians to - 11.7% for office employees.

When total compensation is compared, the Québec government is behind the university sector by 9.2% in the benchmark jobs overall. In all, 46 of the 59 jobs have lower total compensation in the Québec government; these jobs represent 88% of the employees covered. All five occupational categories are behind, with differentials varying from - 4.5% to - 12.9%. In the benchmark jobs overall, the Québec government's comparative position is comparable for salaries and for total compensation because of lower costs for benefits, counterbalanced by fewer hours at work in that sector.

Federal government

In the benchmark jobs overall, Québec government employees are behind their federal counterparts for both salaries (- 20.9%) and total compensation (- 21.2%). This status is observed in all five occupational categories and for all the benchmark jobs compared. With regard to salaries, the differentials vary from - 18.4% for professionals to - 31.2% for manual workers. The differentials for total compensation range from - 19.4% to - 33.2%

For the benchmark jobs overall and in the case of professionals, service employees and manual workers, Québec 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 Québec government.

Other unionized Québec employees

Québec government employees' salaries are 17.8% lower than those of other unionized Québec employees in the benchmark jobs overall. The Québec government is behind in 66 of the 75 jobs studied; these jobs represent 88% of the employees covered. All the occupational categories except service employees have lower salaries in the Québec government, with differentials varying from - 17.7% for professionals to - 30.3% for manual workers. Service employees in the two sectors are on a par.

When total compensation is compared, Québec government employees are behind other unionized Québec employees by 21.5% in the benchmark jobs overall. Lower total compensation is noted in 62 of the 75 jobs, representing 84% of the employees covered. Four of the five occupational categories are behind, with differentials varying from - 19.6% for technicians to - 35.7% for manual workers. Service employees in the two sectors are on a par. In the benchmark jobs overall and in three occupational categories, Québec 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 Québec employees

In the benchmark jobs overall, Québec government employees' salaries are 4.3% lower than those of non-unionized employees in the rest of Québec's labour market. This status is observed in 37 of the 73 jobs studied; these jobs represent 36% of the employees covered. The Québec government is behind in four of the five occupational categories, with differentials ranging from - 3.5% to - 16.6%. Québec government service employees are ahead by 11.6%.

With regard to total compensation, Québec government employees are ahead of non-unionized Québec employees by 7.3% in the benchmark jobs overall. Their total compensation is greater in 25 of the 73 jobs, representing 59% of the employees covered. Québec government technicians, office employees and service employees are ahead, with differentials varying from 4.6% to 20.9%. Professionals and manual workers in the two sectors are on a par. In the benchmark jobs overall and in each of the occupational categories, Québec 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, higher costs for benefits in the Québec government add to the explanation.

Unionized private sector

In the benchmark jobs overall, Québec government employees' salaries are 16.4% lower than those of unionized employees in the private sector. Lower salaries are observed in 42 of the 60 jobs studied; these jobs represent 73% of the employees covered. The Québec government is behind in three occupational categories, with differentials varying from - 20.2% to - 35.4%. Professionals and service employees in the two sectors are on a par.

When total compensation is compared, Québec government employees are behind unionized employees in the private sector by 13% in the benchmark jobs overall. They have lower total compensation in 35 of the 60 jobs, representing 65% of the employees covered. The Québec government is behind in three occupational categories: technicians (- 16.0%), office employees (- 17.4%) and manual workers (- 34.7%). Professionals and service employees in the two sectors are on a par. In the benchmark jobs overall and in the case of technicians and office employees, Québec 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, Québec government employees' salaries are 3.4% lower than those of non-unionized employees in the private sector. Lower salaries are observed in 34 of the 72 jobs studied; these jobs represent 31% of the employees covered. The Québec government is behind in three of the five occupational categories, with differentials ranging from - 7.9 % to - 14.2 %. Office employees in the two sectors are on a par, while service employees in the Québec government are ahead by 13.4%.

With regard to total compensation, the Québec government is ahead of the non-unionized private sector by 9.5% in the benchmark jobs overall. Greater total compensation is noted in 30 of the 72 jobs, representing 68% of the employees covered. Four of the five occupational categories are ahead, with differentials ranging from 4.4% for professionals to 23.8% for service employees. Manual workers in the two sectors are on a par. In the benchmark jobs overall and in each of the occupational categories, the Québec 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, higher costs for benefits in the Québec government add to the explanation.

Salary scales

The job rates (normal maximums) of the salary scales of Québec government professionals, technicians and office employees are lower than those of other Québec employees as a whole. The Québec government is also behind for salaries in the three occupational categories considered. In the case of Québec government professionals, there is no significant difference between their comparative position for job rates and for salaries. Québec government technicians and office employees are further behind for job rates than for salaries, as they are positioned higher within their salary scales than other Québec employees in the same occupational categories.

The job rates of Québec government professionals, technicians and office employees are lower than those of their counterparts in all the sectors studied. Office employees in the Québec government are in a more favourable position for salaries than for job rates in comparison with 9 of the 11 sectors. This situation is explained by the fact that Québec government office employees are positioned higher within their salary scales than their counterparts in the sectors concerned, with the exception of the “government business enterprises” sector.

For technicians, the comparison of the Québec government’s situation with regard to job rates and salaries produces more diverse results. The Québec government’s comparative position is more favourable for salaries than for job rates in relation to five sectors, while the opposite is true in relation to five other sectors. Québec government technicians are positioned higher within their salary scales than their counterparts in most of the sectors studied (7 of the 11 sectors).

Québec government professionals are in a more favourable position for job rates than for salaries in comparison with five sectors, while the opposite is true in comparison with the university sector. Their position within their salary scales is similar to that of their counterparts in six sectors, while they are positioned lower within their scales than professionals in five sectors.

Approximately 61% of the professionals, 39% of the technicians and 38% of the office employees in the private sector who are paid according to a salary scale benefit from merit maximums. These proportions reach 62%, 49% and 44% respectively for non-unionized employees in the private sector. On the other hand, Québec 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 Québec government are similar to the amounts spent on those elements for other Québec employees as a whole. The Québec government’s expenditures (40.6% of the salary) are greater than the amounts spent for employees in the private sector and the university sector and for non-unionized employees (as a whole and in the private sector); costs in those sectors vary from 33.5% to 40.0% of the salary. On the other hand, the Québec government’s total costs are lower than those in the following sectors: other unionized employees in Québec, the unionized private sector and the “other public” sector and its components, excluding the university sector. Costs vary from 43.3% to 54.4% of the salary in those sectors.

When benefits are considered separately from paid time off, the employer’s costs in the Québec government (23.6%) are lower than the amounts spent by employers in the following sectors: other Québec employees as a whole, other unionized employees in Québec, 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 24.2% to 36.9% of the salary in those sectors. This situation is explained by higher costs for pension plans in all those sectors, as well as higher costs for insurance plans, except in the university sector.

The Québec government’s costs for benefits are similar to those of the private sector. However, the Québec government spends more for benefits than the employers of non-unionized Québec 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 Québec government, despite lower costs for insurance plans in that sector.

With regard to paid time off, the Québec government’s expenditures, at 17% of the salary, are higher than the amounts spent on this element in the following sectors: other Québec 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 Québec 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

Québec government employees have a normal workweek of nearly 36 hours, which is one and a half hours shorter than that of other Québec employees as a whole. Québec government employees' normal workweek is shorter than that of all other unionized and non-unionized Québec 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 Québec government. Québec 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 (approximately three and three-quarters hours per week for the Québec government) is observed in comparison with the non-unionized private sector.

Evolution of the comparison

Between 2011 and 2012, Québec government employees' comparative situation with regard to salaries remained stable in relation to other Québec employees as a whole in the benchmark jobs overall. This finding is the same in relation to the private sector and non-unionized employees (as a whole and in the private sector).

The Québec government's comparative situation with regard to salaries weakened in relation to the "other public" sector (- 1.9 percentage point) and its four sub-sectors: the municipal government sector (- 2.5 percentage points), government business enterprises (- 1.7 percentage point), the university sector (- 1.1 percentage point) and the federal government (- 2.4 percentage points). It also weakened in relation to unionized Québec employees, with differentials of - 1.8 percentage point in relation to this group as a whole and - 3.7 percentage points in relation to the unionized private sector.

For total compensation, Québec government employees' comparative situation also remained stable between 2011 and 2012 in relation to other Québec employees as a whole and four other sectors. The comparative situation of the Québec government weakened in relation to the "other public" sector (- 3.1 percentage points), the municipal government sector (- 4.4 percentage points), the federal government (- 2.8 percentage points), the university sector (- 0.9 percentage point), other unionized Québec employees (- 2.8 percentage points) and the unionized private sector (- 3.6 percentage points).

When the years 2008 and 2012 are considered, Québec government employees' comparative situation for salaries remained stable in relation to the private sector and the unionized private sector. On the other hand, their comparative situation weakened in relation to the other nine sectors.

Québec's economy: weaker growth than expected

Québec's economy grew at a rate of 1.7% in 2011. In the first half of 2012, Québec's real gross domestic product (GDP) registered a slower growth of only 0.6%. In fact, the economy grew by 0.1% in the first quarter of 2012 and by 0.2% in the second quarter. The results for the first half of 2012 are mainly attributable to the weak growth of consumer spending and the increase in the foreign-trade balance deficit. On the other hand, a rise in inventories has contributed positively to the growth of the GDP.

Final domestic demand increased only slightly faster in the second quarter than in the previous quarter. Its growth is due mainly to investment in residential and non-residential construction. Personal consumption expenditures rose slightly, while government expenditures for goods and services registered a slight decline. The foreign-trade balance deficit increased, thus reducing the growth of the economy. Analysts anticipate slower growth than originally expected for both 2012 and 2013.

Slow growth of domestic demand

Consumers' personal expenditures grew at a slower rate in 2011 (+ 2.0%) than in 2010 (+ 3.3%). During the first half of 2012, consumer spending increased by 1.4% compared with the same period in 2011. In the second quarter of 2012, consumers continued to spend more on services (+ 0.5%), but reduced their spending on goods (- 0.3%) for a second consecutive quarter.

Total fixed-capital investment by businesses and governments increased for a second consecutive quarter (+ 1.9%). Business investment (+ 2.0%) grew at a faster rate, while government investments (+ 1.5%) slowed slightly. During the first half of 2012, investments were up 1.8% compared with the first half of 2011. For the year 2011, investments grew by 4.5% compared with 8.7% in 2010.

Government current expenditures increased by 0.3% in 2011, compared with 2.8% in 2010. However, during the first half of 2012, they declined by 0.1% in relation to the same period in 2011.

The external account balance deficit has increased. This deterioration has occurred in spite of a rise in exports; in fact, the positive effect of the export growth is cancelled by a significant increase in imports. Exports grew by 2.1% in 2011 and 2.1% in the first half of 2012, while imports rose by 4.0% in 2011 and by 2.1% in the first half of 2012. Export growth is mainly attributable to international exports. On the other hand, both international and interprovincial imports have increased.

The dollar hovers around par

In 2011, the Canadian dollar was slightly above par with the American dollar (101.14 cents). For the first nine months of 2012, it was slightly below its US counterpart, at 99.81 cents. According to several analysts, it should end the year near par with the American dollar.

The inflation rate for the year 2011 was 3.0% in Québec, while for the first nine months of 2012 it was 2.2% in comparison with the same period in 2011. During the first nine months of 2012, food and energy prices grew more slowly than in 2011. Inflation was at 1.1% in the first quarter, 0.6% in the second quarter and - 0.2% in the third quarter of 2012.

The rate for three-month Treasury Bills was 0.95% for the first nine months of 2012, compared with 0.91% for the year 2011. The rate rose progressively from 0.90% in the first quarter of 2012 to 0.95% in the second and 0.98% in the third quarter.

Analysts are forecasting weaker inflation in 2013 than in 2012 and slightly higher interest rates in 2013. The dollar should remain near par with the American dollar, albeit slightly lower.

Employment grows for a second consecutive year

In 2011, employment grew in Québec (+ 38 500; + 1.0%) for a second consecutive year after the recession of 2009. All the jobs created were full-time (+ 39 100; + 1.2%); part-time jobs remained relatively stable (- 600; - 0.1%). Employment growth in 2011 was in the service sector only (39 600; + 1.3%); the goods sector was relatively stable (- 1 100; - 0.1%).

As was the case in 2010, more than half the jobs created went to men (+ 22 800), while women benefited from 15 600 new jobs. The 25-54 age group (+ 13 100) and the 55-and-over age group (+ 28 000) saw employment gains, while the 15-24 age group registered a loss (- 2 600).

The unemployment rate in 2011 was 7.8%, down 0.2 percentage point from 2010, but higher than the rates observed in 2008 and 2007 (7.2%).

The employment rate changed very little in 2011; it was down - 0.1 point, at 60.1%. The labour-force participation rate declined by 0.2 point, to 65.2%.

Employment remains stable (+ 500; 0.0%), while the average unemployment rate was 7.9% for the first nine months of 2012. For 2012 as a whole, analysts are forecasting employment growth between 0.3% and 0.4% and an unemployment rate between 7.8% and 7.9%. For 2013, they are predicting stronger employment growth than in 2012 and an unemployment rate between 7.3% and 8.0%.

Salary trends

Negative real salary growth for all unionized employees in 2012

The average salary-scale increase for unionized Québec employees as a whole indicates a 0.9 % loss of purchasing power for the first two quarters of 2012.

Negative real salary growth is observed in all the sectors analyzed. Losses in purchasing power range from 0.1% in the private sector to 1.5% in the Québec government. These results are explained largely by the strong growth of the consumer price index (CPI) for the first six months of 2012 (2.5%).

Very high proportion of salary increases lower than the inflation rate

In 2012, salary-structure increases for unionized employees in the Québec government are lower than the growth of the CPI; this was also the case in 2011. In the other sectors, the proportion of employees receiving this type of increase in 2012 varies from 41.3% in the municipal sector³ to 91.4% in the federal sector⁴. In 2011, these sectors presented higher percentages of employees receiving increases lower than the CPI; however, these proportions were greater than in 2012.

The proportion of unionized employees obtaining increases to their salary structures equal to or greater than the growth of the CPI is low in 2012, except in the private sector (30.5%) and the municipal sector (41.6%). Compared with 2011, the situation has improved in all sectors except the Québec government.

Salary freezes or reductions apply to less than 2.0% of unionized Québec employees; the employees affected are in the private, municipal and “Québec government business enterprises” sectors.

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

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

Recently signed agreements: higher rates for employees outside the Québec government

The latest agreements signed provide an indication of how salaries will evolve. The collective agreements for the Québec government were renewed in 2011. These agreements provide for an average increase of 1.2% per year (five-year duration).

The analysis for 2012 deals with unionized Québec employees outside the Québec government. The respective agreements grant a higher rate of increase than in 2011 (2.5% versus 2.2%). Higher increases are also observed in all sectors.

In the 2012 agreements, 88.7% of unionized employees outside the Québec government receive average annual salary increases of 1.5% or more. This proportion is 9 percentage points higher than in 2011.

More favourable projections for 2013

According to the salary projections established by the Institut, Québec employees as a whole (unionized and non-unionized) are expected to receive average salary-scale increases of 1.8% in 2012 and 2.0% in 2013.

For 2013, the projected increase for unionized Québec employees as a whole is higher than in 2012 (1.9% versus 1.6%). This trend is also anticipated for three sectors. For the Québec government, the difference is 0.8 percentage point.

Only the private sector is expected to see a lower increase in 2013; a decline of 0.2 percentage point is anticipated.

For non-unionized employees, the projected average salary-scale increases (1.9% for 2012 and 2.1% for 2013) are higher than those for unionized employees for both years.

Taking inflation into account, employees in all sectors except the private sector should see negative real salary growth in 2012. For 2013, the projections are different: a gain in purchasing power is anticipated for non-unionized employees and for unionized employees in all sectors except the Québec government. In that sector, only the fixed salary-scale increase parameter is taken into account; the parameters related to the growth of the economy are not taken into consideration.

November 2012