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Economic Increases

What are our demands?

- PSAC's wage demands are intended to reduce the gap that has been created between federal public sector employees and their private sector counterparts for more than ten years.
- The economic increases must also exceed inflation and cover the rise in prices. This move will eventually reduce and eliminate the private-public earnings gap, created over the past decade.

The past decade has been difficult for federal government workers. Between 1991 and 1997, PSAC members received economic increases totaling only 3%. This was because successive governments legislated, rather than negotiated, their collective agreements.

Since 1991, whenever PSAC has not been legally restricted from bargaining, the union has been successful in negotiating economic increases higher than the cost of living for our Treasury Board members. However, the six years of legislated wage freezes mean that our members' wages overall have not kept pace with the cost of living. And, we have fallen behind average private sector increases.

Economic increases, 1991-2003

<i>Year</i>	<i>Private sector</i>	<i>CPI</i>	<i>PSAC</i>
1991	4.2%	5.6%	0.0%
1992	2.5%	1.5%	3.0%
1993	0.8%	1.8%	0.0%
1994	1.3%	0.2%	0.0%
1995	1.7%	2.2%	0.0%
1996	1.9%	1.6%	0.0%
1997	1.8%	1.6%	2.5%
1998	1.8%	0.9%	2.0%
1999	2.6%	1.7%	2.0%
2000	2.3%	2.7%	3.2%
2001	3.0%	2.6%	2.8%
2002	2.6%	2.2%	2.5%
1991-2002	26.5%	24.6%	18.0%
Average	2.2%	2.1%	1.5%



BARGAINING ISSUE

In real terms, a worker in the private sector earning \$32,000 in 1990 was earning \$41,573 by 2002. Compare this to a Treasury Board worker earning \$32,000 in 1990 whose salary had only risen to \$38,222 by 2002. The difference between them is \$3,351 or close to 9%.

From 1990 to 2002, this private sector worker earned a cumulative total salary of \$474,714. During the same period, the Treasury Board worker's cumulative total was \$443,977. That's a difference of \$30,737 or almost the equivalent of a whole year's salary.

Economic Increase and total income of an employee earning 32,000\$ in 1990

Year	Private Sector	PSAC	Private Sector	PSAC
1990	\$32,000	\$32,000	\$32,000	\$32,000
1991	\$33,344	\$32,000	\$65,344	\$64,000
1992	\$34,178	\$32,960	\$99,522	\$96,960
1993	\$34,451	\$32,960	\$133,973	\$129,920
1994	\$34,899	\$32,960	\$168,872	\$162,880
1995	\$35,492	\$32,960	\$204,364	\$195,840
1996	\$36,167	\$32,960	\$240,530	\$228,800
1997	\$36,818	\$33,784	\$277,348	\$262,584
1998	\$37,480	\$34,460	\$314,828	\$297,044
1999	\$38,455	\$35,149	\$353,283	\$332,193
2000	\$39,339	\$36,274	\$392,622	\$368,466
2001	\$40,519	\$37,289	\$433,141	\$405,755
2002	\$41,573	\$38,222	\$474,714	\$443,977
Gap		\$(3,351)		(\$30,737)

What has been the employer's response?

Treasury Board has offered 1.75%, 1.25% and 1.25% over a three-year period. That's a far cry from what is needed for PSAC members to just keep pace with increases in the cost of living.

