Total Reward in the UK in the Public and Private Sectors

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Recent controversy has surrounded the relative value of public and private sector remuneration. This includes not just pay but pensions and other ‘Benefits in Kind’ – we call this Total Reward. We attempt to evaluate the present value of the sum of all these payments over the lifetime of the highly educated and compare it in the public and the private sector.

Our results also suggest that the TR premium of private sector employees over much of the life cycle is equalized for men while women have a clear Total Reward advantage in the public sector. The change in pension scheme mix in the private sector has improved the position of the public sector between 1997 and 2009. The policy implication of this research is that the current controversy over public private sector differentials is not justified for highly educated men and partly justified for highly educated women.