



FACT SHEET THE GENDER WAGE GAP IN CANADA

The gender wage gap is the difference in earnings between women and men in the workplace.

It is a widely recognized indicator of women's economic equality, and it exists to some extent in every country in the world.

A 2015 UN Human Rights report raised concerns about "the persisting inequalities between women and men" in Canada, including the "high level of the pay gap" and its disproportionate effect on low-income women, visible minority women, and indigenous women.¹

Out of 34 countries in the OECD, Canada had the 7th higher gender wage gap in 2014.²

HERE ARE SOME COMMONLY ASKED QUESTIONS ABOUT THE GENDER WAGE GAP IN CANADA:

1. How is the wage gap measured?

- The gender wage gap can be typically measured in three different ways.
 - Compare the annual earnings, by gender, for both full-time and part-time workers. On this basis, women workers in Canada earn an average of **66.7 cents** for every dollar earned by men in 2011.³ This measurement results in the largest wage gap because more women work part-time—and part-time workers earn less than full-time workers.
 - Compare the annual earnings of full-time workers. On this basis, women workers in Canada earned an average of **74 cents** for every dollar earned by men in 2014.⁴
 - Compare the hourly wages by gender, including those for part-time workers. On this basis, women earned an average of **87 cents** for every dollar earned by men in 2011.⁵
- No matter which calculation is used, the wage gap clearly exists.

2. Why does the wage gap exist?

- The percentage of working women in Canada has increased from about 42% to almost 60% over the last 30 years.⁶ This ranks among one of the most dramatic social changes of the last century.

However, the failure of governments and employers to adequately respond to this new reality leaves women at an incredible disadvantage.

- The gender wage gap is complex and results from a variety of factors.
- **First, traditional “women’s work” pays less than traditional “men’s work.”** As one researcher notes: “Female-dominated job classes are often seen as not being skilled because the tasks are related to domestic jobs that women were expected to carry out for free in the home.”⁷
- **Second, most women workers are employed in lower-wage occupations and lower-paid industries.** Women work in a narrower range of occupations than men and have high representation in the 20 lowest-paid occupations. About two-thirds of the female work force are concentrated in teaching, nursing, and health care, office and administrative work, and sales and service industries.⁸ Women aged 25 to 54 accounted for 22% of the Canada’s minimum-wage workers in 2009, more than double the proportion of men in the same age group.⁹
- **Another reason for the wage gap is that more women than men work part-time.**¹⁰ About 70% of part-time workers in 2013 were women, a proportion that has remained steady for three decades.¹¹ Women working part-time or temporary jobs are much less likely to receive promotions and training than those in full-time jobs.¹²
 - Women work part-time for several reasons, including lack of affordable child care and family leave policies, along with social pressure to carry the bulk of domestic responsibilities. These factors make it more likely for women to have interruptions in employment, which has a negative effect on income.
- **A large portion of the wage gap remains unexplained and is partly due to discrimination.** An estimated 10-15% of the wage gap is attributed to gender-based wage discrimination.¹³ Wage discrimination and employment discrimination refer to different things. The **Pay Equity Act** requires employers to ensure men and women receive “equal pay for work of equal value.” The **Employment Equity Act** requires that employers remove barriers to the workplace for women, aboriginal people, members of visible minorities, and people with disabilities.

3. What is the long-term impact of the wage gap in Canada?

- Depending on how you calculate the gender wage gap, you can calculate women’s lifetime earnings compared to men’s. Based on a gender wage gap of 31.5% in Ontario, a woman would have to work 14 additional years to earn the same pay a man earns by age 65.¹⁴

4. Is there a wage gap for well-educated women in top positions?

- Although 62% of university undergraduate students in Canada are women, they don’t necessarily end up getting paid better once they are in the work force.¹⁵ In 2008, female university graduates earned \$62,800 annually, while men earned \$91,800.¹⁶
- It’s true that many women today pursue demanding careers and are very successful. However, the top female CEOs usually have partners who take on a bigger share of domestic work and childcare.¹⁷ Top women executives at S&P 500 companies continue to be paid less, on average, compared to their male peers.¹⁸

5. Does the wage gap really matter?

- Women's lower earning power means they are at a high risk of falling into poverty if they have children and then become separated, divorced, or widowed. They are less able to save for their retirement and more likely to be poor in their senior years; in fact, women 65 or over are more likely than their male counterparts to live on a low income.¹⁹ The risk of falling into poverty means that some women are sometimes forced to stay in abusive relationships, despite the danger.
- When women work outside the home and also do most of the domestic work, their long-term health suffers. According to Statistics Canada, women at every age are more likely than men to describe their days as "quite a bit" or "extremely" stressful.²⁰

6. How can we eliminate the gender wage gap?

- Help women enter high-wage occupations.
- Help girls enter STEM (Science, Technology, Engineering, and Mathematics) careers.
- Address systemic discrimination, particularly in male-dominated fields.
- Advocate for improved workplace policies (childcare, family leave, etc.).
- Recognize gender stereotypes that reinforce notions of "appropriate" work for men and women. Young women, despite their capability, "often do not believe they have the academic or professional requirements necessary for succeeding in a given job."²¹
- The Canadian Women's Foundation works to advance women's economic equality by bringing together community organizations to share research, skills, and best practices for moving low-income women out of poverty.
- We also invest in community programs that help women to increase their income by launching a small business, learning a skilled trade, or working in a job placement.
- In the programs we fund, women identify their strengths and skills and build upon them. This positive 'asset-based' approach avoids creating long-term dependency and builds self-confidence—an essential tool for starting the difficult journey out of poverty. Each woman receives customized wrap-around supports and just-in-time services, whether her immediate priority is food and shelter, budgeting skills, developing personal goals, creating a business plan, learning a trade, or being matched with a mentor. The goal is to help her to build a solid foundation that includes stable housing, childcare, employment skills, self-confidence, financial literacy, a strong social network, and a supportive family.
- Through this approach, we have helped thousands of women from across Canada to move out of poverty. Along the way, each woman has contributed to Canada's economy and created a more secure future for herself and her children.

MEDIA INQUIRIES PLEASE CONTACT:

Stacey Rodas, Public Relations and Online Engagement Coordinator
Canadian Women's Foundation
504-133 Richmond St. W, Toronto, ON, M5H 2L3
416.365.1444 x 240
srodas@canadianwomen.org

ENDNOTES

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