



## 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, racialized women, and Indigenous women.<sup>1</sup>

Canada had the 7<sup>th</sup> highest gender pay gap out of 38 countries examined by the OECD, based on 2016 data.<sup>2</sup>

### FREQUENTLY 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 **69 cents** for every dollar earned by men in 2016.<sup>3</sup> This measurement results in the largest wage gap because more women work part-time, and part-time workers typically 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 **75 cents** for every dollar earned by men in 2016.<sup>4</sup>
  - 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 2015.<sup>5</sup>
- No matter which calculation is used, the wage gap clearly exists for women in Canada.

#### 2. Is the wage gap the same for all women?

- No. Although statistical averages are good indicators of how women are being compensated in the

workplace, Indigenous, racialized, disabled and newcomer women all experience the wage gap in different ways, for a variety of reasons.<sup>6</sup> According to data from the 2016 Census:

- Indigenous women working full-time, full-year earn an average of 35% less than non-Indigenous men, earning **65 cents to the dollar**.<sup>7</sup>
  - Racialized women working full-time, full year earn an average of 33% less than non-racialized men, earning **67 cents to the dollar**.<sup>8</sup>
  - Newcomer women working full-time, full-year earn an average of 29% less than non-newcomer men, earning **71 cents to the dollar**.<sup>9</sup>
- According to the 2012 Canadian Survey on Disability, women with a disability in Canada working full- and part-time earn approximately **54 cents to the dollar** when compared to the earnings of non-disabled men, equaling a wage gap of around 46%.<sup>10</sup>

### 3. Why does the wage gap exist?

- One of the most dramatic social changes in the last century has been the increase of women in Canada's paid work force. In 2015, 82% of women ages 25-54 participated in the workforce, a significant difference from 21.6% in 1950 and 65.2% in 1983.<sup>11</sup> However, governments and employers have not adequately responded to this new reality, which puts women at an economic 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.”** Jobs that conform to traditional gender roles tend to be undervalued because they parallel domestic work that women were expected to perform for free.<sup>12</sup> Research also suggests that when women make up a large percentage of a specific industry, wages become devalued.<sup>13</sup>
    - For example, in Canada 97% of truck drivers are male and earn a median salary of \$45,417 per year. In contrast, 97% of early childhood educators in Canada are female and earn a median salary of \$25,334 per year.<sup>14</sup>
  - **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.<sup>15</sup>
    - In 2015, women workers in Canada were the most highly represented in three fields (as compared to men): health care and social assistance, educational services, and food and accommodation services. The proportion of women to men in these industries has actually increased since 1976.<sup>16</sup>
    - Women also make up the majority of Canada's minimum-wage workers, and a third of working women make less than \$15 per hour.<sup>17</sup> Around 50% of the wage gap is attributed to the fact that women are more likely to be found in lower-paying jobs.<sup>18</sup>
- Another factor in the overall wage gap is that more women than men work part-time.<sup>19</sup> About three-quarters of part-time workers in 2015 were women.<sup>20</sup>

- 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. About 44% of Canadian non-school age children live in “childcare deserts”, which are areas where at least three children would be in potential competition for each licensed daycare space.<sup>21</sup>
  - These factors also make it more likely for women to have interruptions or absences from work, which are linked to fewer opportunities for promotions and salary increases.<sup>22</sup> According to Statistics Canada, 21.7% of women who were away during the work week listed family responsibilities as the cause, compared with only 9.3% of men.<sup>23</sup>
- **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 or other unexplained factors.<sup>24</sup>
- 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, Indigenous people, members of racialized groups, and people with disabilities.
- In 2018, the federal government acknowledged the factors above as contributors to the wage gap prioritized taking steps to close it in the 2018 Federal Budget. Under the theme of “Equality + Growth,” the government committed to proactive pay equity for federally regulated sectors. It is estimated that this will affect 1.2 million Canadians, marking a large step forward on the road to equal pay for federal employees.<sup>25</sup>
- In April 2018, Ontario was the first province in Canada to pass pay transparency laws, a significant step toward closing the pay gap. Starting in 2019, the Pay Transparency Act requires that all public job postings include a salary rate or range, and forbids employers from asking about past compensation or disciplining employees who talk about compensation. Additionally, employers with 100 or more employees will be required to track and report pay data, including any gender pay gaps within the organization.<sup>26</sup>

#### 4. What is the long-term impact of the wage gap for women in Canada?

- According to an Ontario Government report, women with the same experience, socio-economic and demographic background earn approximately \$7,200 less than their male counterparts per year.<sup>27</sup> Added up annually, this amount has a significant impact on the economic stability of women, decreasing their financial independence and ability to save for retirement.
- Every year, the Ontario Equal Pay Coalition marks Equal Pay Day, the date when women in the work force have earned the same that men made in the previous year. On average, women must work 15 and a half months to earn what a man does in 12 months. In 2018, Equal Pay Day was held on April 10.<sup>28</sup>
- Estimates vary, but a 2017 study from the World Economic Forum has stated that it will take around 217 years to close the economic gender gap worldwide if present trends continue.<sup>29</sup>
- A 2017 study from the Institute for Women’s Policy Research in the United States found that if equal pay were achieved, it would cut working women’s poverty levels in half.<sup>30</sup>

## 5. Is there a wage gap for well-educated women and those in top positions?

- The wage gap has not closed, despite the fact that women have begun to outnumber men when it comes to pursuing university degrees. Approximately 56% of post-secondary students in Canada are women.<sup>31</sup> Women who graduate university with a bachelor's degree earn an average of \$69,063 annually, while men who graduate with a bachelor's degree earn \$97,761.<sup>32</sup>
- Women today are pursuing demanding careers and moving into management and leadership positions. However, only three out of the 100 highest-paid Canadian CEOs were women in 2016.<sup>33</sup> The under-representation of women in top earning positions contributes to slower progress in efforts to close the gender pay gap.<sup>34</sup>
- In Ontario, the highest paid 10% of women still earn 37% less than the highest paid 10% of men.<sup>35</sup> At all levels of income (except for the very lowest) women earn less than men.<sup>36</sup>

## 6. Does the wage gap really matter?

- Women's lower earning power means they are at a higher 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.<sup>37</sup> The risk of falling into poverty means that women are sometimes forced to stay in abusive relationships, despite the danger.
- When women work outside the home and 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."<sup>38</sup>
- The wage gap is a symptom of broader gender-based discrimination and inequality - it is just one indicator that gender equality has not been achieved in Canada. By encouraging conversations about Canada's wage gap, we can continue to address other important topics related to gender equality.

## 7. How can we eliminate the gender wage gap?

- Eliminate barriers for women to enter high-wage occupations.
- Eliminate barriers for girls to enter careers in STEM (Science, Technology, Engineering, and Mathematics).
- Address systemic discrimination, particularly in male-dominated fields.
- Advocate for improved workplace policies (childcare, family leave, etc.).
- Recognize and challenge gender stereotypes that reinforce notions of "appropriate" work for men and women. Young women, despite their capabilities, "often do not believe they have the academic or professional requirements necessary for succeeding in a given job."<sup>39</sup>
- 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 empowering women who are

living on a low income to [move 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.

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## ENDNOTES

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- <sup>3</sup> Canadian Income Survey, Statistics Canada. <Table 206-0052> - “Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas, annual (number unless otherwise noted),” CANSIM.
- <sup>4</sup> Canadian Income Survey, Statistics Canada. <Table 206-0053> - “Distribution of employment income of individuals by sex and work activity, Canada, provinces and selected census metropolitan areas, annual,” CANSIM.
- <sup>5</sup> M. Moyser. “Women and Paid Work,” Statistics Canada, 2017. <http://www.statcan.gc.ca/pub/89-503-x/2015001/article/14694-eng.htm>
- <sup>6</sup> Equal Pay Coalition. “Calculating the Pay Gap: Intersectionality.” <http://equalpaycoalition.org/calculating-the-pay-gap/>
- <sup>7</sup> Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. <98-400-X2016268>. Calculated using the full-time, full-year average employment income of Indigenous females (\$48,590) divided by the full-time, full-year average employment income of non-Indigenous males (\$74,691), equaling 65%, or a 35% difference.
- <sup>8</sup> Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. <98-400-X2016360>. Calculated using full-time, full-year average employment income for total visible minority females (\$51,173) divided by the full-time, full-year average employment income of males who are not a visible minority (\$76,853), equaling 67%, or a 33% difference.
- <sup>9</sup> Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. <98-400-X2016200>. Calculated using full-time, full-year average employment income for female immigrants (\$53,486), divided by the full-time, full-year average employment income of males who are not immigrants (\$75,832), equaling 71%, or a 29% difference. For more data on the wage gap of both full- and part-time workers, please see “[Then Now Next: Ontario’s Strategy for Women’s Economic Empowerment](#)” 2018, p. 10.
- <sup>10</sup> Statistics Canada, 2012 Canadian Survey on Disability, [Table 14-10-0283-01 \(formerly CANSIM 115-0023\)](Table 14-10-0283-01 (formerly CANSIM 115-0023)). Sources of income of adults with and without disabilities.” Calculated using average employment income for females with a disability (\$26,880) divided by males without a disability (\$50,014), equaling 54% or a 46% difference.
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- <sup>13</sup> A. Levanon, P. England, and P. Allison. “Occupational feminization and pay: Assessing causal dynamics using 1950-2000 U.S. census data.” *Social Forces*, 88(2), 2009, 865. <https://academic.oup.com/sf/article-abstract/88/2/865/2235342>
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- <sup>17</sup> A. MacEwan. “Who Earns Minimum Wage?” Canadian Dimension, 2016. Data from 2015. <https://canadiandimension.com/articles/view/who-earns-minimum-wage>
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- <sup>22</sup> M. Moyser. “Women and Paid Work: Women’s careers are interrupted more frequently than men’s careers, for longer total durations.” Statistics Canada, 2017. <http://www.statcan.gc.ca/pub/89-503-x/2015001/article/14694-eng.htm>
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