

"And We Still Ain't Satisfied": A Report on Gender and Income Inequality in Canada

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ABSTRACT

The gender gap is much wider than is commonly believed. This analysis of Statistics Canada's 1998 *Survey of Labour and Income Dynamics* finds that women's median, after-tax incomes were 61 percent of men's, while 50 percent of women in Canada had after-tax incomes ranging from zero to \$13,786. The gender gap was greatest for women aged 46-64, placing many women in this cohort at risk of poverty in their senior years. Women's prevalence in part-time and temporary employment, continuing occupational segregation and wage discrimination keep women's incomes low. Unionization and university education are the best ways for women to raise their incomes and close the gender gap.

RÉSUMÉ

Le fossé des sexes est beaucoup plus large qu'on ne le pense. Cette analyse de Statistiques Canada sur la dynamique entre le travail et le revenu, de 1998, rapporte que la médiane de revenu pour les femmes, après taxes, était 61 pour cent de celles des hommes, tandis que 50 pour cent des femmes au Canada, avaient des revenus entre zéro et 13, 786\$. Le fossé entre les sexes était plus large pour les femmes âgées entre 46 et 64 ans, plaçant un bon nombre de femmes dans cette cohorte de personnes à risque d'être pauvre durant leur vieillesse. La prévalence de femmes qui ont des emplois à temps partiel et des emplois temporaires continue la ségrégation et la discrimination salariale qui fait que le revenu le revenu des femmes reste bas. La syndicalisation professionnelle et les études universitaires sont les meilleurs moyens pour les femmes de hausser leurs revenus et de réduire l'écart entre les sexes.

This paper uses data from Statistics Canada's 1998 *Survey of Labour and Income Dynamics* (SLID) to compare the incomes of women and men in Canada using educational level, regional variation, labour market situation, first language and family type as the variable parameters. It confirms that while there has been a gradual narrowing of the income gap between women and men since 1970, the gender gap remains unacceptably wide: women's median, after tax incomes were 61 percent of men's in 1998, almost forty percent less than men's comparable incomes. A sizable income gap between women and men persists regardless of how much education women receive, what occupations they pursue, their age, whether they live alone or in relationships, with or without children. Most notably, the gap is widest between women and men between the ages of 45-64. The low incomes of women in this age group suggest that they will be at great risk of poverty following retirement.

During the 1980s and 1990s, corporate globalization and the accompanying neo-liberal

agenda led to a restructuring of the Canadian economy characterized by the "freeing" of market forces, the rise of corporate power, government cutbacks,¹ increasing privatization of the public sector, demands for greater labour flexibility, a weakening of labour laws and employment standards, and growing income inequality. Women have shouldered a disproportionate share of the burden of economic restructuring (Christopherson 2001). There has been a dramatic increase in the number of women with insecure, poorly paid, temporary, self-employed, homeworking and part-time jobs (Armstrong 1996; Hughes 1999; Jenson 1996; Vosko 2000). Women are experiencing increased workloads, greater stress and, because of cutbacks in government spending, have been forced to assume greater responsibility for the care of their families and communities through their unpaid labour (Aronson and Neysmith 1996). These factors work against women's economic equality and keep the gender gap wide.

METHODOLOGY

In the first section of this paper, data from the 1998 Statistics Canada Survey of Labour and Income Dynamics (SLID) is analysed to measure the gender/income gap between women and men over the age of 16 across the parameters of region, age, education, and labour force situation, including unionization, language and family type. The median (not average) after-tax incomes of women and men as individuals (not families) are used to calculate the gender gap. All income is measured, including earnings and transfer payments. As an additional measure of women's inequality, in the second section of the paper the proportion of women with low incomes (below \$13,786 after tax) is compared with the proportion of men with low incomes, and the proportion of women with high incomes (above \$32,367 after tax) is compared with the proportion of men with high incomes across the parameters of education and labour force situation, including unionization, region and language.

This analysis of the gender gap and women's incomes is based upon a specially designed run of SLID data commissioned from Statistics Canada by the Centre for Social Justice (CSJ) in 2000. SLID is a longitudinal survey, begun in 1993 by Statistics Canada, that measures changes in income and employment for the same set of people over time. SLID was designed to provide information on labour market and income flows. It follows a "panel" of approximately 31,000 people (in 15,000 households), who represent a cross-section of the population, for 6 years. Participants are interviewed twice yearly with most data collected by telephone interview. Demographic statistics collected include age, sex, marital status, immigration status, mother tongue, whether the participant is an Aboriginal or a member of a "visible minority," education, family history, current work activity, unionization and work experience. Income data collected includes earnings (wages, self-employment), investment income, government transfers (Employment Insurance (EI), Workers Compensation, Social Assistance, Canada Pension Plan/Quebec Pension Plan (CPP/QPP), etc.) and other income including support payments.

The CSJ commissioned the SLID data for three reasons. Firstly, they wanted to access the most recent available income data for people from

racialized groups and for women. While Statistics Canada Census² data includes information on women and visible minorities, Census data is collected every 5 years (with a one or two year lag), and the most recent Census data available in 2000 was from the 1995 census.³ SLID data is released yearly (with a one year lag) and with the SLID run the CSJ was able to access 1998 income data. Secondly, while Census data provides information on many of the variables the CSJ was interested in, including regional disparities, age and education, only SLID provides detailed data on the relationship between income, unionization and equity groups. Thirdly, SLID divides population income into deciles for purposes of categorization while the Census divides the population into quintiles. Dividing the incomes of Canadians into deciles permits a more detailed analysis of income disparities.

MEASURING THE GENDER GAP

Most commonly used statistical measures of the gender gap obscure the true extent of women's income inequality and can give the impression that women's economic inequality is close to being a non-issue. Traditionally, Statistics Canada measures the gender/income gap by comparing the full-time, full-year earnings of women and men. According to this measure, in 1999 women in Canada earned 72.5 percent of what men earned. Sometimes the wage gap is measured by comparing hourly wages: in 1998, women's hourly wages were 80 percent of men's (25 percent less for women from racialized groups); or by focusing on the wage gap between women and men with university degrees: women university graduates working full-year, full-time had incomes that were 74 percent of men's.

Comparing the full-time, full-year earnings of women and men underestimates the gender gap because there is no recognition that women are concentrated in part-time and temporary employment. Measuring hourly wages doesn't acknowledge that men work more paid hours than women, both because they tend to have full-time jobs with overtime hours, and because women more often work in part-time jobs. Concentrating on university graduates ignores the fact that only 12 percent of women (and 14 percent of men) have a

university degree.⁴ Focusing only on employment income doesn't recognize that women are over-represented among lone parents and seniors who may receive all or part of their income in the form of transfer payments or from other sources (child tax credits, pensions etc.). This study attempts to overcome these limited approaches to measuring the gender gap by comparing all income, regardless of employment status, for all women and men over 16, including seniors.

Most measures of the income gap are based on average, before-tax, or "market" income. This examination of women's economic inequality uses median, after-tax income. After-tax income is a more accurate measure of women's economic inequality than before-tax earnings as it includes government transfer payments and income tax benefits such as the child-tax credit and (somewhat) progressive taxation policies that tax lower income at a lower rate than higher income. Median income more accurately reflects women's income than does average income. Median income is the point below which half of the population have lower incomes, and above which half have higher incomes, while average income totals all incomes and divides by the total number of incomes. Median income is a better predictor of women's actual income than is average income which can be significantly skewed by a small number of very high incomes. Median incomes in Statistics Canada income data are considerably lower than average incomes.

MEASURING POVERTY

In addition to examining the gender gap, this paper examines some of the nuances of gendered income inequality by comparing the proportion of women with low incomes with the proportion of men with low incomes, and then by comparing the proportion of women with high incomes with the proportion of men with high incomes. Defining low income, and in particular, poverty, is highly controversial in Canada. Statistics Canada uses Low Income Cut-Offs (LICOs)⁵ to classify families and unattached individuals into "low-income" and "other" groups. These cut-offs vary by size of area of residence (from large urban areas to rural areas). While Statistics Canada stresses that LICOs are not official poverty lines but are used to classify people

who spend more than 54.5 percent of their incomes on food, shelter and clothing and who are considered to be in "strained circumstances," the anti-poverty movement and progressive organizations have accepted the LICOs figures as the poverty line.

Using the Low Income Cut-Offs, Statistics Canada found that in 1997, 19 percent of the total female population (2.8 million women) were living in low income situations, compared with 16 percent of the male population. Aboriginal women and women from racialized groups were still more likely to be poor: 43 percent of Aboriginal women were living in low income situations compared with 35 percent of Aboriginal men, and 37 percent of women of colour vs. 35 percent of men of colour were living in low income situations as defined by LICOs. Female lone-parents, women with disabilities, young women and senior women living alone also have very high poverty rates.

In 1998, the Low Income Cut-off for one person in an urban area with a population over 500,000 was \$14,510 after-tax.⁶ This figure declined with the size of area of residence. For areas with a population of 100,000 to 499,999, the LICO was \$12,223, for an area with a population between 30,000 and 99,999 it was \$12,034, in one with less than 30,000, it was \$10,995, and for rural areas, it was \$9,514. The lower income cut-off used in this paper is an after-tax income under \$13,786 (\$14,754 before tax) for individuals. This figure represents the cut-point between the fourth and fifth income deciles for all persons in 1998 (SLID divides all incomes into deciles/cut-points for purposes of categorization). In other words, 40 percent of the (over age 16) population (men and women together) have incomes lower than \$13,786 after-tax, and 60 percent have incomes higher than this figure. The cut-point between the fourth and fifth income deciles is similar to the median after-tax income for women in Canada which is \$13,806 (vs. men's median income of \$22,673). An income of \$13,786 after-tax would be under the LICOs rate for individuals in large cities over 500,000 which is where the majority of Canada's population lives.

Statistical studies of low income generally focus on the family. Using the family as the unit of measure hides the rate of women's economic inequality as men's higher incomes (due in part to

men's greater likelihood of having higher paid, full-year, full-time jobs) are likely to raise the total family income above the Statistics Canada measure of low income. This paper uses the SLID data to look at the frequency with which women, whether or not they are in relationships, earn lower incomes, in comparison with men. The paper also compares women and men earning relatively high incomes: more than \$32,367 after tax (\$40,666 before tax). This figure is the cutpoint between the eighth and ninth after-tax income deciles for all persons. It is well above the total median income for all people (men and women together) in Canada which is \$17,501. Twenty per cent of all Canadians had incomes that were more than \$32,367 after tax in 1998.

LIMITATIONS OF THE DATA

This study focuses on women's incomes. While the special run of SLID commissioned by the CSJ provides valuable information on visible minorities⁷ and on women, the data was not broken down by race and gender and there was no specific data on women of colour or Aboriginal women. Because special runs of Statistics Canada data must be purchased and each parameter is an additional (significant) cost the CSJ was only financially able, in 2000, to acquire data on the four major equity groups: women, visible minorities, Aboriginals and people with disabilities, with plans to acquire additional parameters, including data on women of colour and Aboriginal women, in the future.⁸ To discuss the incomes of women of colour and Aboriginal women, and to bring in other relevant data, this paper makes occasional use of other Statistics Canada publications including *Women in Canada 2000: a Gender-based Statistical Report*,⁹ *Statistics Canada: Income Trends in Canada: 1980-1998*, and *Statistics Canada: 1996 Employment Equity Data Report*. To avoid confusion, alternate sources of data are identified either in the body of this article or in the endnotes.

THE EXTENT OF THE INCOME GAP BETWEEN WOMEN AND MEN

Based on median, after-tax, SLID income data, Canadian women in 1998 had annual incomes (all income, including transfer payments and all

women over age 16 including seniors) that were 61 percent of men's. Annual, median, after-tax income for women in 1998 was \$13,806 vs. men's median income of \$22,673 (men's average, after tax income was \$25,737 and women's was \$16,662). Data from Statistics Canada's *Women in Canada 2000* publication shows that women from racialized groups have even lower incomes than other women. In 1995, they had average, before-tax incomes of \$16,600, almost \$3,000 less than the figure for other women in Canada which was \$19,500. Aboriginal women had average incomes of \$13,300, almost \$6,000 less than the figure for other women in Canada.¹⁰ Both women and men have median (and average) incomes that are far below what is generally understood as "middle class." We know that most working people are finding it harder to get by. Over 60 percent of working families in Canada have incomes lower than the levels reached in the recession years of the early 1980s. Within these families, however, women's incomes lag far behind men's.

The analysis of the SLID data reveals regional differences in the gender/income gap. Women in the Atlantic provinces make the lowest median incomes - \$11,235 - with the biggest gender/income gap - women's incomes are 59 percent of men's. Women in British Columbia have the smallest gender/income gap - women's incomes are 65 percent of men's, while women in Ontario have the highest median after-tax income - \$18,343. Looking more closely at the SLID data we find that the income gap between women and men persists across age, educational attainment, labour market situation, language and family type. The gender gap has narrowed over time but only somewhat. In 1986, women's average after-tax income was 52 percent of men's. This figure rose to 63 percent by 1997. Further, the shrinking of the gender gap is due, in part, to declining men's incomes: there was an 11.4 percent decrease in men's median earnings over this period.¹¹

The regional differences in gender gap/income as shown in Table 1 (using Statistics Canada's *Income Trends in Canada* publication) indicate that both women and men in the Atlantic provinces had the lowest median income in Canada. Atlantic women had incomes that were only 41.9 percent of Atlantic men's in 1980. The gap in the Atlantic provinces narrowed to 59.2 percent in

1998, more as a consequence of declining men's incomes than a significant increase in women's incomes. In Quebec, women's incomes scarcely rose between 1980 to 1998 but the gender gap narrowed from 53.6 percent to 64.2 percent, again because of a precipitous drop in men's incomes.

AGE AND THE INCOME GAP

SLID data shows that the income gap between women and men aged 45-64 is the largest of any age group. As can be seen in Table 2, women in this age group received only 51 percent of the income of their male counterparts. Their median, after-tax income was only \$14,779 vs. men's \$28,924. These figures are alarming given that the years between 45 and 64 are supposed to be peak earning years, and income earned during these years has the greatest impact on the level of retirement income. Women's incomes in this group drop off dramatically from the incomes of women between ages 25-44, while men's incomes remain almost the same. The drop is partly accounted for by the high rate of part-time work among women in this category. Women in this age group are also more likely than men to be completely marginalized from the workforce: in 1999, 39 percent were not employed and were not looking for work compared with 22 percent of men.¹² The prevalence of low incomes among women aged 45-64 is a red flag indicating that this cohort of women will be at great risk of poverty during their retirement years.

Senior women (aged 65 and over) had incomes that were 71 percent of senior men's in 1998. The gap appears smaller than the average for all people only because the incomes of senior men tend also to be low. The median, after-tax income of senior women was \$13,403, while the median income of senior men was \$18,827.

In 1998, women over 65 made up 14 percent of the total female population, up from 9 percent in 1971 (*Statistics Canada: Women in Canada 2000*). Fifty per cent of these senior women live in what Statistics Canada classifies as poverty. Unattached senior women are at the highest risk of poverty. In 1996, 38 percent of senior women were living on their own while only 16 percent of senior men lived on their own (women outlive men, on average, by 4 years).¹³ Women aged 25-44 made 68 percent of what men made in the same age group,

and their incomes were the highest of all the women's age groups. Women aged 16-25 made 87 percent of the income of their male counterparts. The wage convergence among young men and women is explained by the very low incomes received by both young men and young women who are the group most likely to be working for minimum wage, and in part-time, temporary work. The median, after-tax income for young women is \$5,956; for young men, \$6,829. Young people aged 16-24 accounted for 58 percent of those making the minimum wage or less in 1998. Two-thirds of these young minimum wage workers were women. Minimum wage workers are concentrated in the restaurant and retail industries, both of which are characterized by a low level of unionization and high worker turnover. Sixty-two percent of minimum wage jobs are part-time.¹⁴

EDUCATION AND THE GENDER GAP

Women with university degrees were able to significantly reduce the gender/income gap. Their incomes were 70 percent of men's (see Table 3). However, very few women in Canada are able to reduce the gender gap this way. Only 12 percent of women in 1998 had university degrees compared with 14 percent of men. Seventeen percent of women of colour and 5 percent of Aboriginal women had university degrees¹⁵ in that year. By contrast, 35 percent of Canadian women (54 percent of Aboriginal women) had less than high school graduation and their incomes were 64 percent of men's. Women with high school graduation did even worse in comparison with men: their incomes were 62 percent of men's. Women with college diplomas had incomes that were only 65 percent of their male counterparts.

LABOUR FORCE SITUATION, AND THE GENDER GAP

Full-Year, Full-Time Employment

Unionization is the best way for women to close the income gap. Median, after-tax incomes for unionized women working full-time, full-year were \$29,279; for men, \$35,618. For non-unionized women working full-time, full-year, they were \$23,436 vs. \$31,278 for men. Unionized, full-time, full-year women made almost 25 percent more than

non-unionized, full-time, full-year women, and their incomes were more than double the median, after-tax income for all women. Full-time, unionized women also benefitted through having greater access to valuable company-paid benefits and workplace pensions which increased their economic resources without being reflected in their average incomes. As can be seen in Table 4, the gender gap for unionized, full-time, full-year women was relatively small; they had incomes that were 82 percent of unionized, full-time, full-year men's incomes. Part of the reason that there is more income convergence among full-year, full-time male and female workers is the decline in men's wages.

Women in non-unionized, full-time, full-year jobs had incomes that were 75 percent of men's. In 1999, hourly wages for full-time, full-year unionized women in Canada were \$17.89 per hour; for non-unionized full-time, full-year women they were \$12.82. Hourly wages for unionized, full-time, full-year women were 90 percent of their male counterparts vs. 77 percent in non-unionized, full-time jobs.¹⁶

Part-Time and Part-Year Jobs

One of the reasons the annual wage gender gap is larger than the hourly wage gender gap is because women workers tend to work fewer hours than men. Women working in jobs that were not full-year, full-time showed a dramatic drop in income, particularly those working in non-unionized part-year/ part-time jobs. With the erosion of good, unionized, full-time jobs in the economy, part-time and temporary jobs are increasingly common, especially for women. In 1999, 41 percent of employed women aged 15-64 had part-time or temporary employment arrangements compared with 35 percent in 1989.¹⁷ Although the percentage of men with part-time or temporary work has also increased, women were still more likely than men to have part-time or temporary employment (41 percent vs. 29 percent). Between 1992 and 1996, the number of part-time jobs in the economy more than doubled. In 1998, there were more than twice as many part-time jobs created as full-time jobs. The vast majority - more than 72 percent - of part time workers are women. In 1999, 28 percent of all employed women worked

less than 30 hours per week, compared with just 10 percent of employed men.¹⁸

The SLID data shows that women in part-time/temporary, unionized jobs had incomes that were 69 percent of those of men in the same situation. There was greater convergence between men and women in part-time/temporary, non-unionized jobs, where women's incomes were 86 percent of men's, because wages for both were close to the minimum wage floor. Female, part-time/temporary, non-unionized income was \$10,067 while men's was \$11,756.

Self-Employed Workers

The gender/income gap is greatest among self-employed workers. Incomes for self-employed women were 59 percent (\$11,836) of the incomes of self-employed men (\$19,970). Self-employment is a big part of the growing trend toward non-standard work. Three quarters of job-growth since 1989 has been in self-employment. Self-employment is, in many cases, the "job of last resort." Women have been pushed into it as economic restructuring has eroded the availability of more secure forms of paid work. Women are also far more likely than men to resort to self-employment as a way to balance work and family demands. While men outnumber women in the self-employed category, self-employment is growing much more rapidly for women than for men. In 1999, 13 percent of employed women were self-employed, up from 9 percent in 1976. Self-employed workers can be either own-account (no employees) or they can be employers; own-account workers make considerably less than employers and nearly half of own-account workers are part-time. In 1997, 75 percent of self-employed women were own-account vs. 59 percent of male self-employed workers.¹⁹

Mother Tongue and the Gender Gap

SLID data divides individuals according to mother tongue into three categories: English speaking, French speaking, and "other" mother tongues. As can be seen in Table 5 (see Appendix), the greatest disparities in income in Canada are between female "other" mother tongue speakers - who are primarily immigrants and racialized women - and anglophone men, and between francophone

women and anglophone men. Both female "other" mother tongue speakers and female francophones had incomes that were only 51 percent of male anglophones. The median after-tax income for female francophones was \$12,881, and it was \$12,706 for female "other" mother tongue speakers, vs. \$25,084 for anglophone men. Anglophone women had incomes that were 59 percent (median income, \$14,906) of those of anglophone men, while francophone women had incomes that were 61 percent of francophone men's (\$21,033). Female "other" mother tongue speakers had incomes that were 64 percent of their male counterparts (\$19,967).

Family Type and the Gender Gap

Information on women's incomes is generally concealed within family income. 1998 SLID data reveals that women living in families made comparatively low incomes with high gender/income gaps.²⁰ Women in couples with children under 16 had incomes that were the lowest of any groups of women within the category of family type. Their median incomes were \$13,153 and their incomes were only 48 percent of the incomes of their male partners. Even women in couples with no children at home had incomes that were only 61 percent of their male partners. The median incomes of these women were \$16,627 (see Table 6).

Female lone parents had incomes that were the highest of any groups of women within the category of family type. Their median incomes were \$ 17,786, 65 percent of the incomes of the highest male earners (men in couples with children). While the median incomes of lone parents may be higher than the incomes of women living in other family types, female lone parent families had incomes that were only 39 percent of two parent families. In 1997, 56 percent of female lone-parents had incomes which fell below Statistics Canada's Low Income Cut-offs.²¹

Unattached women in Canada, 15 years of age and up, had incomes that were 77.5 percent that of unattached men. However, this income convergence is due to the low incomes of unattached men. Unattached women's incomes were only 57 percent of the incomes of men in couples with children.

Women in families in the Atlantic region had incomes that were the lowest of any women in this category in Canada. There, women in couples with no children at home had incomes that were just 49 percent of their male partners, while women in couples with children had incomes that were 47.5 percent of their male partners. Median, after-tax incomes for both groups of Atlantic women hovered around \$11,000. Women in British Columbia (BC) did the best in this category: BC women in couples with no children at home had incomes that were 70 percent of their male partners and earned a relatively whopping \$21,181. Women in BC did better on the whole than women anywhere else in Canada.

LOWER INCOME VS. HIGHER INCOME FOR WOMEN AS COMPARED WITH MEN Income and Gender in Canada

In addition to measuring the gender/income gap between women and men in Canada, this paper compares the percentage of women with very low incomes (under \$13,786) with the percentage of men with low incomes, and also compares the percentage of women with high, or "comfortable" incomes (over \$32,367) with the percentage of men having high or "comfortable" incomes. The low income cutoff used in this paper can be considered to be a measure of poverty and is another way, along with the gender gap, to evaluate women's economic inequality (see methodology section above for an explanation of this measure).

Roughly 50 percent (49.9 per cent) of women in Canada (all women over 15), compared with roughly 30 percent (29.7 percent) of men, had after-tax incomes under \$13,786 in 1998. To break it down further, 25.6 percent of women had annual after-tax incomes under \$7,097 compared with 14.2 percent of men. In contrast, 29.3 percent of men and only 11 percent of women had after-tax incomes over \$32,367. Clearly, women had far less access to what could be considered "comfortable" incomes than did men, and were considerably more likely to have incomes that ranged from no-income to \$13,786.

Income inequality varied by region (see Table 7). Sixty-two percent of women in the Atlantic provinces had incomes under \$13,786 compared with 35 percent of men, with 32 percent

having incomes under \$7,097 vs. 16 percent of men. At the other end of the income spectrum, only 6 percent of Atlantic women had incomes over \$32,367 compared with 19 percent of men. British Columbia had the lowest number of women with lower incomes: 35 percent vs. men's 27 percent, and more BC women had incomes over \$32,367: 12.5 percent vs. men's 33 percent. Ontario had the highest number of women with higher incomes in Canada: 14.5 percent vs. 35.5 percent for men. Forty-six per cent of women in Ontario had lower incomes compared with 27.5 percent for men. In Quebec, 56 percent of women had lower incomes compared with 34 percent for men, while only 7 percent of women had incomes over \$32,367 vs. 22 percent of men.

Income, Gender and Education

Higher education is correlated with higher incomes for both women and men, but men benefit far more from their education. Fifty-nine percent of Canadian men with university degrees had incomes over \$32,367 compared with only 36 percent of women. On the other hand, 25 percent of women with degrees had incomes below \$13,786 compared with 14 percent of men. Thirty-five percent of men with college diplomas had incomes over \$32,367 compared with only 11 percent of women, but 38 percent of women with college diplomas had incomes below \$13,786 compared with 19 percent of men. Not having a high-school diploma relegated 72 percent of women and 42 percent of men to the lower income group, but 13 percent of men without high school diplomas had incomes over \$32,367 vs. only 2 percent of women.

Income, Gender And Labour Force Situation

Again, unionization proved to be the best way for women to raise their incomes, while women in part-time, temporary employment were much more likely to have very low incomes (see Table 8). Almost no women and men with full-year, full-time, unionized jobs had incomes under \$13,786 (less than 1 percent of men and 1.5 percent of women). On the other hand, 68 percent of women and 57 percent of men with part-time, temporary, non-unionized jobs had incomes under \$13,786 and 34 percent of women and 30 percent of

men with part-time/temporary, non-unionized jobs had incomes under \$7,097. Fifty-six percent of self-employed women and 34 percent of self-employed men had incomes below \$13,786 with 30 percent of women and 15 percent of self-employed men having incomes below \$7,097.

At the other end of the income spectrum, 61 percent of men and 38 percent of women with full-time, full-year, unionized jobs had "comfortable" incomes over \$32,367. Women working full-year, full-time in non-unionized jobs did much worse than men: only 8.5 percent of these women had incomes over \$32,367 vs. 32 percent of men. A small fraction of women and men with part-time/temporary, non-unionized jobs had incomes over \$32,367: 3 percent of women and 7 percent of men. The figures were better for self-employed workers: 11 percent of women and 24 percent of men had "comfortable" incomes.

Women in the Atlantic provinces with part-time/temporary employment had a particularly high rate of lower incomes. There, 80 percent of female part-time/temporary non-unionized workers (57 percent of male) and 70 percent of female self-employed workers (37 percent of male) had incomes below \$13,786, while 39 percent of female part-time/temporary non-unionized workers (29 percent of male) and 41 percent of female self-employed workers (14 percent of male) had annual incomes under \$7,097. Median, after-tax incomes for Atlantic women in part-time/temporary non-unionized jobs were \$8,568 (\$12,380 for men), and for self-employed women they were \$8,695 (\$18,770 for men).

INCOME, GENDER AND MOTHER TONGUE

Women whose mother tongue was neither English or French had the highest rate of lower incomes (see Table 9). Fifty-five percent of these women vs. 33.5 percent of comparable men had incomes under \$13,786, and 26 percent of these women (15 percent of men) had incomes below \$7,097.

Francophone women also had a high rate of lower incomes. Fifty-four percent of francophone women (30 percent of men) had incomes below \$13,786 while 27 percent of francophone women and 13 percent of men had incomes below \$7,097.

Only 27 percent of anglophone men had incomes below \$13,786, while 46.5 percent of anglophone women had incomes below \$13,786. Twenty-five percent of anglophone women and 14 percent of anglophone men had incomes below \$7,097.

CONTINUING OCCUPATIONAL SEGREGATION

Women's participation in employment has been rising steadily since the 1970s: in 1999, women comprised 46 percent of the employed workforce, up from 37 percent in 1976. Sixty-nine percent of women with young children were employed, up from 39 percent in 1976. Women made up the majority of full-time students in Canadian universities (55 percent).²² So, why is the gender gap so wide, and why are women's incomes so astonishingly low?

Women's lower incomes can be accounted for, in large part, by women's high rate of non-standard (part-time/temporary/self-employed) employment and the very high numbers of senior women, disabled women and lone parents living in poverty. Another reason why women's incomes are low is that working women tend to be segregated into gendered and racialized low-paid, job ghettos. Women's occupational segregation has been created by the historical and systemic undervaluing of women's paid and unpaid work (Gaskell 1987), by historically constructed stereotypes of what constitutes "women's" and "men's" work, by legal discrimination, racist immigration and other government policies and by personal and institutional racism and sexism.

It was not so long ago that women were prevented from moving into higher paid "male" jobs because of legally sanctioned marriage bans, "women's" and "men's" seniority lists, bans on night shifts, height, weight and lifting restrictions and blatant racist and sexist hiring policies. While women have fought for decades to eliminate many of these barriers, 70 percent of women in the paid labour force continue to be concentrated in a few female dominated sectors very much related to traditional gendered and racialized social roles: clerical or other administrative positions, sales and service occupations, nursing and related health occupations, and teaching.²³ The occupations where

women are clustered tend to pay considerably less than male-dominated occupations. Even within their traditional sectors, the jobs that women hold are valued less highly and paid considerably less than the jobs that men hold.²⁴

- * Average earnings in the female dominated clerical and administrative sector (71 percent female) are \$28,875. Women's average earnings within this sector are \$24,989 while men's are \$38,231.
- * In the higher paying health sector where women hold 80 percent of the jobs (and are 47 percent of the doctors and dentists), their average earnings are less than half of men's: \$33,007 vs \$66,293 for men.
- * Women hold 39 percent of manufacturing, processing and utilities jobs, but their average earnings are less than half of men's: \$17,099 vs. \$35,206 for men.
- * There are more women in management jobs - 44 percent - but most of them are in lower paid, lower level administrative positions; women are only 21 percent of senior managers. Average earnings for women in this occupational group are \$39,048 vs. \$58,680 for men.
- * Women hold 53 percent of professional jobs, but most of this figure is accounted for by women's dominance in nursing (95 percent) and in teaching (69 percent).
- * Women's numbers have increased in some high paying, previously male-dominated, professional fields: in 1999, women made up 47 percent of all doctors and dentists, and 58 percent of professionals employed in social sciences or religion.²⁵ However, women made up only 20 percent of professionals employed in the natural sciences, engineering and mathematics.

CONCLUSION

While conventional approaches to measuring the gender gap conclude that women are relatively close to achieving economic equality, the approach used in this study reveals that women's inequality is as much of an issue as it was two decades ago. Rather than comparing women's and men's hourly wages, or focusing on men's and women's full-time, full-year employment earnings,

the SLID data has made it possible to compare the total incomes of all women and men, regardless of age or employment status, and to examine the incomes of all women, regardless of whether or not they are living within a family. It reveals that women in Canada are very far from achieving economic equality, and are much poorer than we have been led to believe.

Women's income gains since 1980 have been marginal and much of the shrinking of the gender gap in this period is due to declining men's incomes. While professional women and women in full-year, full-time unionized jobs have been able to gain a measure of economic equality, these women are in the minority and the majority of women continue to struggle economically. Women who are experiencing the fewest gains include those aged 45-64, senior women, women who work in the growing numbers of part-time and temporary jobs, "own account" self-employed women, female lone parents, women living with partners with young children at home, women living in the Atlantic region, Aboriginal women, women whose mother tongue falls into the category of "other," francophone women and young women between the ages of 16-24.

This study points to unionization and university education as the best ways to close the gender gap and to raise women's incomes. However, both these avenues to women's greater income equality are under threat. Unionized women's jobs tend to be in the public sector (reflecting their presence in public administration, teaching and health) and public sector wages have stagnated: during the decade of the 1990s, wage settlements in the public sector declined by 5.5 percent.²⁶ Government cut-backs and privatization have resulted in the loss of women's unionized public sector jobs to the private sector with an accompanying loss of benefits, pensions and

security. University tuition fees have escalated in the past decade, with professional programs charging as much as \$25,000 per year, making it much more difficult for women to access post-secondary and professional education.

Women's incomes have remained low despite strong growth in the Canadian economy, particularly during the latter half of the 1990s. Women cannot rely on "market forces" to shrink the gender gap. For the gender gap to shrink at a faster rate than it has in the past, women need to intensify their struggle for changes in government policy to provide for better public pensions for all women, regardless of their lifetime employment earnings; a minimum wage above the Statistics Canada LICO poverty line; higher levels of social assistance; lower university tuition; improvements in employment (unemployment) insurance; employment equity in jobs and in training and an increase in the level of public services. With better funded healthcare, childcare, eldercare, care for people with disabilities and education systems, women will not have to carry the burden of providing these services through their unpaid labour.

ENDNOTES

1. In the mid-1980s, spending on government programs was more than 18 percent of our total national income. By 1999, spending on government programs had dropped by approximately one-third to less than 12 percent of our national income (McQuaig, *The Cult of Impotence*, 1998, p.7).

2. Labour market and income data in the Census are collected from a 20 percent sample of the population aged 15 and over.

3. Statistics Canada conducts a number of different surveys that measure income or work activity including the Survey of Consumer Finances (income), the Survey of Persons Not in the Labour Force and the Labour Force Survey. Data is collected annually or monthly for these surveys. SLID is a longitudinal supplement to the Labour Force Survey. The Labour Force Survey does not collect information on people of colour or Aboriginal people while SLID does.

4. A more accurate measure of women's inequality was developed in conjunction with Status of Women Canada (Warren Clark, *Economic Gender Equality Indicators 2000*, Federal-Provincial Ministers Responsible for the Status of Women, 2000) and compares the average total income of women and men including wages, salaries, transfer payments, child and spousal support payments, and investment and rental income. With this measure, women's average before-tax income in 1997 was shown to be 53 percent of men's while their average after-tax income was 63 percent of men's.
5. Statistics Canada - Catalogue 13-551, Low Income Cut-offs (LICO), Table 8.1, pages 91-101.
6. Low Income Cutoffs from 1990-1999 and Low Income Measures from 1989 to 1998 Statistics Canada, January 2001.
7. For a CSJ study analysing income trends for racialized groups (based on SLID data) see *Canada's Creeping Economic Apartheid: the Economic Segregation and Social Marginalisation of Racialised Groups*, May 2001, by Grace-Edward Galabuzi.
8. CSJ sponsored studies using SLID data on women of colour and Aboriginal women are forthcoming.
9. Statistics Canada's publication *Women in Canada 2000: a Gender-based Statistical Report* brings together data from various Statistics Canada publications on the theme of women and women's issues, as a target group.
10. *Women in Canada 2000: a Gender Based Statistical Report*, Chapter 10.
11. For this analysis, the Statistics Canada publication *Income Trends in Canada: 1980-1998* has been used as SLID data only goes back to 1993 when the survey was begun.
12. *Women in Canada 2000*, Chapter 5.
13. Bruce Little, "Minimum-wage Workers Disproportionately Young," *Globe and Mail*, September 7, 1998, Section A6.
14. Bruce Little, "Minimum-wage Workers Disproportionately Young," *Globe and Mail*, September 7, 1998, Section A6.
15. *Women in Canada 2000*, Chapter 4.
16. *Women in Canada 2000*, Chapter 6.
17. *Women in Canada 2000*, Chapter 5.
18. *Women in Canada 2000*, Chapter 5
19. Hughes, Karen D. *Gender and Self-employment in Canada: Assessing Trends and Policy Implications*, Canadian Policy Research Networks. Ottawa: CPRN, 1999.
20. SLID data includes information on the separate/individual incomes of women living with spouses, with and without children. As with all SLID data, information is collected longitudinally at regular intervals through telephone surveys with family/household members.
21. *Women in Canada 2000*, Chapter 6
22. *Women in Canada 2000*, Chapter 5
23. *Women in Canada 2000*, Chapter 5
24. These figures are from the 1996 Statistics Canada Employment Equity Data Report.
25. *Women in Canada 2000*, Chapter 4
26. *Is Work Working For You?* Published by Canadian Labour Congress, 2002, www.working4you.ca. (No author mentioned).

APPENDIX

Table 1: Change in Median Before Tax Earnings Between 1980 and 1998 (1998 Tax Dollars) in the Atlantic Region, Quebec and All of Canada Using Census Data

Region	1980	1998	% Change
Atlantic region			
Men	\$24,856	\$20,708	-17
Women	\$10,427	\$12,271	+ 18
Quebec			
Men	\$30,292	\$25,801	-15
Women	\$16,244	\$16,575	+ 2
Canada			
Men	\$32,367	\$28,656	-11.4
Women	\$15,088	\$17,903	+ 19

Source: Statistics Canada, *Income Trends in Canada 1900-1998*, CD-ROM 13F0022xCD, Ottawa 2001

Table 2: Income Gap by Age in Canada: Women's After-tax Income as a Percentage of Men's

Age Group	Women's income as per cent of men's
Ages 16-24	87%
Ages 25-44	68%
Ages 45-64	51%
Ages 65 +	71%

Source: Special Run of the Survey of Labour and Income Dynamics 1999-2000, CSJ Foundation for Research and Education

Table 3: Income Gap by Education in Canada: Women's Median After-tax Income as a Percentage of Men's

Level of Education	Women's income as % of men's
Less than High School	64%
High School Graduation	62%
Post-Secondary Diploma	65%
University Degree	70%

Source: Special Run of the Survey of Labour and Income Dynamics 1999-2000, CSJ Foundation for Research and Education.

Table 4: Income Gap by Labour Force Situation in Canada: Women's Median After-tax Income as a Percentage of Men's

Labour Force Situation	Women's income as % of men's
Full-Year, Full-Time, Unionized	82%
Full-Year, Full-Time, Non-Union	75%
Other, Union	69%
Other, Non-Union	86%
Self-Employed	59%

Source: Special Run of the Survey of Labour and Income Dynamics 1999-2000, CSJ Foundation for Research and Education.

Table 5: A Comparison of Incomes, Including the Gender Gap, Between Women and Men in Canada with English, French and "Other" Mother Tongues.

Mother Tongue	Male Median After Tax Income	Female Median After Tax Income	Gender Gap: women's incomes as a % of men's	Women's incomes as a % of males with English Mother Tongue
English Mother Tongue	\$25,084	\$14,906	59%	59%
French Mother Tongue	\$21,033	\$12,881	61%	51%
Other Mother Tongue	\$19,967	\$12,706	64%	51%

Source: Special Run of the Survey of Labour and Income Dynamics 1999-2000, CSJ Foundation for Research and Education.

Table 6: A Comparison of Incomes, Including the Gender Gap, Between Women and Men in Canada According to Family Type.

	Male Median Income	Female Median Income	Gender Gap
Couple, no children	\$27,142	\$16,627	61%
Couple, children under 16	\$27,242	\$13,153	48%
Female lone parent		\$17,786	39% of two parent families
Unattached individuals	\$20,022	\$15,533	77.5%

Source: Special Run of the Survey of Labour and Income Dynamics, Statistics Canada, CSJ Foundation 1999-2000.

Table 7: Comparison of Percent of Women and Men with Incomes below \$13,786* and above \$32,367 According to Region**

Region	% Male Income Under \$13,786	% Female Income Under \$13,786	% Male Income Over \$32,367	% Female Income over \$32,367
Canada	30%	50%	29%	11%
Atlantic Provinces	35%	62%	19%	6%
Quebec	34%	56%	22%	7%
Ontario	27.5%	45.5%	35.5%	14.5%
Prairie Provinces	28.5%	49%	29%	10%
British Columbia	27%	35%	33%	12.5%

*\$13,367 represents the cut-point between the fourth and fifth income deciles for all persons in 1998 and is the measure of low income used in this study.

**\$32,367 represents the cutpoint between the eighth and ninth after-tax income deciles for all persons and is the measure of high income used in this study.

Source: Special Run of Survey of Labour and Income Dynamics, Statistics Canada, for the CSJ Foundation, 1999-2000.

Table 8: Comparison of Percent of Women and Men with Median, after Tax Income below \$13,786* and above \$32,367 in Relation to Labour Market Situation.**

Type of Employment	% Males with income below \$13,786	% Females with income below \$13,786	% Males with income above \$32,367	% Females with income above \$32,367
Full-Year Full-Time Unionized	.8%	1.5%	61%	38%
Full-Year Full-Time Non-union	8.5%	14%	47%	22%
Non-Standard Unionized	16%	32%	32%	8.5%
Non-Standard Non-Union	57%	68%	7%	3%
Self-Employed	34%	56%	24%	11%

*\$13,367 represents the cut-point between the fourth and fifth income deciles for all persons in 1998 and is the measure of low income used in this study.

**\$32,367 represents the cutpoint between the eighth and ninth after-tax income deciles for all persons and is the measure of high income used in this study.

Source: Special Run of Survey of Labour and Income Dynamics, Statistics Canada, for the CSJ Foundation, 1999-2000

Table 9: Comparison of Percent of Women and Men with Median, after Tax Income below \$13,786* and above \$32,367 in Relation to Mother Tongue.**

Mother Tongue	% Males with income below \$13,786	% Females with income below \$13,786	% Males with income above \$32,367	% Females with income above \$32,367
Other	33.5%	55%	24%	8%
French	30%	54%	23%	7%
English	27%	46.5%	34%	13.5%

*\$13,367 represents the cut-point between the fourth and fifth income deciles for all persons in 1998 and is the measure of low income used in this study.

**\$32,367 represents the cutpoint between the eighth and ninth after-tax income deciles for all persons and is the measure of high income used in this study.

Source: Special Run of Survey of Labour and Income Dynamics, Statistics Canada, for the CSJ Foundation, 1999-2000.

Table 10: Occupations and Gender in Canada: a Sampling of 1996 Statistics Canada Data

	# of Men	# of Women	% Women
Skilled Crafts & Trades	1095955	62370	5%
Tailors, Dressmakers, Furriers, Milliners	3960	23360	85.5%
Carpenters & Cabinet Makers	139975	2500	2%
Clerical Personnel	499590	1222020	71%
Senior Managers	119995	31550	21%
Middle Managers	792860	400950	33.5%
Professionals	1024890	1140640	53%
Nurses	13465	245275	95%
Teachers	130970	291090	69%
Engineers	76465	13740	15%
Skilled Sales & Service	403550	304310	43%
Hairstylists & Barbers	16280	72695	82%
Police Officers & Firefighters	73740	7935	10%
Semi-Professionals & Technicians	493035	460350	48%

Source: 1996 Employment Equity Data Report (Release #2) HRDC and Statistics Canada, Ottawa, 1999.

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