

Gender Based Compensation Disparities



The state of gender pay equity in Canada today; women still lag behind

Although Canadian women have closed the gaps in education and participation in the workplace in the past 20 years, the gap between the wages they earn still lags behind that of men. There are a wide variety of reasons for this including the fact that women often spend fewer years in the workforce, work fewer hours in a year and are often employed in jobs that are traditionally undervalued in the workforce.

International Pay Equity Researcher and University of Toronto professor Pat Armstrong has suggested that pay equity is a result of three factors in the Canadian labour market:

1. The majority of men and women are segregated into different work. In Canada, 67% of women work in traditional roles for women including teaching, nursing, clerical and administration and sales and services jobs.
2. Where there are higher concentrations of women these jobs pay less, representing an undervaluing of women's skills and competencies.
3. Women's lower pay reflects a systematic undervaluation of women's work relative to men's. Furthermore, the binary concept of "women's work" and "men's work" is trivializing and demeaning unto itself.

What the Numbers Say

Statistics Canada tells us that based on their 2011 data, the average annual earnings of Canadian women was 66.7% of what Canadian men earned. When full time full year measure of income is used the gap is 72%. This means women are still earning over 25% less than men each year. Over a life time, these numbers add up to less security and financial flexibility.

Average female to male earnings, and female-to-male earnings ratio, by work activity					
Earnings	2007	2008	2009	2010	2011

Average Earnings, Females	31,300	31,700	32,600	32,600	32,100
Average Earnings, Males	47,800	49,300	47,400	47,800	48,100
Female-to-male average earnings ratio	65.5%	64.3%	68.6%	68.1%	66.7%
Median earnings, female	23,700	23,900	24,400	24,600	24,300
Median earnings, male	36,900	38,000	36,100	36,000	36,600
Female-to-male median earnings ratio	64.1%	62.8%	67.6%	68.2%	66.5%

According to recent Statistics Canada data, in January 2013, the average hourly wage of males and females in 2013 was \$25.98 and \$22.10. In January 2014, the average hourly wages were \$26.49 and \$22.82 respectively. Data indicates that women make up the majority of the “precarious workforce”. Seven out of ten women are part time workers. This means that not only are women earning less per hour, women are also working fewer hours.

It was not that long ago when women working for the same organization and in the same jobs as men were paid less than men for the same work. Over 20 years ago pay equity laws in Canada recognized the gender imbalance in pay and began the complicated process of seeking to address this imbalance. Today it would be very rare for an organization to systematically pay men and women in the same job different salaries, but there are many ways in which organizations continue to contribute to this gap.

Closing the Gap

Closing the gap is not a simple task. Women will not suddenly be available to work more hours if they are raising children and taking care of aging parents. Many women want to continue to work in part-time jobs with flexible hours and less travel. Of course, this flexibility impacts annual income. The gap in hourly wages can and should be narrowed, however.

In Canada every organization should have a policy to address the question of equal pay in the workplace. For more information read the HR Insider article Pay Equity Information Guide.

Average hourly wages of employees by selected characteristics and occupation, unadjusted data, by province