

Ontario's Gender Gap: Women and Jobs Post-Recession

Kate McInturff





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ABOUT THE AUTHOR

Kate McInturff is a senior researcher at the Canadian Centre for Policy Alternatives. She is the director of the CCPA's initiative on gender equality and public policy, *Making Women Count*, and is an ongoing contributor to the *Alternative Federal Budget*.

Kate is the past Executive Director of FAFIA and currently sits on the UN Advisory Group on Inequalities in the Post-MDG Framework and the Coordinating Committee of SocialWatch. Kate received her doctoral degree from the University of British Columbia in 2000.

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Executive Summary

A RECOVERY STRATEGY that aims to put Ontario back where it was in 2007 means no progress for women. Women had lower levels of employment and higher levels of poverty before, during and after the recession. Post-recession austerity measures have done little to close the gender gap in employment or earnings.

Economic stimulus policies have supported growing employment in male-dominated sectors such as construction, where ten times as many men found new jobs as did women. While women were more than three times as likely to find new jobs in health care and education, they also took substantial losses in retail and wholesale trade — where men saw gains.

Young workers were among the biggest losers during the recession. Young women were hit especially hard — experiencing nearly double the rate of decline in their employment as young men.

At the other end of the spectrum, the numbers of women who stayed in the workforce after age 65 doubled between 2007–2013. More than half of working women aged 65–69 now work full-time. At no time in the past decade have so many women age 65 and older been in the paid labour market.

Single-parent families were far more vulnerable to job loss during the recession. Single mothers with children under six saw the biggest increase (among parents) in their rate of unemployment — rising from a pre-recession low of 11% in 2007 to a high of 17% in 2010.

Women's wages continue to lag behind those of men. For some groups of working women in Ontario the picture is worse. For example, Aboriginal

women's employment incomes are 17% less than those of non-Aboriginal women, they lag 25% behind the earnings of Aboriginal men and they are 40% behind the earnings of non-Aboriginal men.

The number of women working for minimum wage was nearly double that of men at the beginning of the recession, and that number only increased during the recession, with 12% of women in Ontario now working for minimum wage, compared to 7% of men.

Ontario households that depended exclusively on the incomes of working women saw their poverty rate increase significantly in the first year of the recession, leaving more than a quarter of a million more households living in poverty.

By 2011, 75,000 more single women were living in poverty than at the start of the recession.

Removing barriers to women's participation in paid work and increasing wage equality will lower the rate of poverty and increase economic growth. Simply reducing the gap between men's and women's levels of employment by half would contribute an additional \$1.4 billion dollars to Ontario's economy in 2014 alone. What women in Ontario need is a recovery strategy that addresses the gender gap – providing increased security for women and greater stability for the economy.

Introduction

MORE THAN FIVE years after the global recession struck Ontario's economy, the province is staggering towards economic recovery — but are women gaining from it?

Women weren't in the same place as men when the recession hit and they aren't in the same place now. They work in different industries: education and health care. They work different hours: more part-time, less full-time than their male peers. They experience different barriers to paid work: double the hours of unpaid work and low rate of access to affordable child-care. They face different challenges to economic security and well-being: lower rates of pay and lower access to Employment Insurance.

This study examines how women were doing compared to men in Ontario's labour market before the 2008–09 recession, what happened to them during the recession, and whether things are better, worse, or the same today.

Women's Work

THE SHARE OF employed women of core working age (25–64 years old) has held steady at around the 70% mark over the past decade. The recession hit the Ontario economy fairly hard, but it had little impact on the overall percentage of women working.

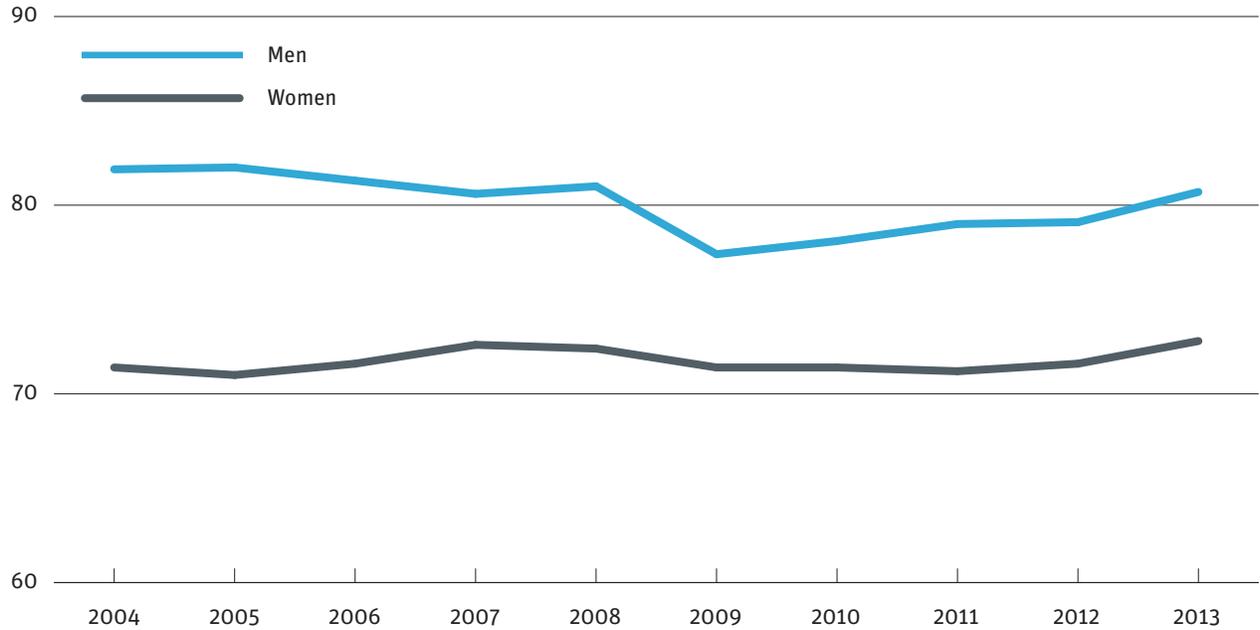
Nonetheless, as *Figure 1* shows, at no point did women's employment rate come close to those of men in Ontario.

Employment for men began to decline in 2006, two years before the recession hit. By the end of 2009, men's employment rate began to climb again. More men had jobs or were actively looking for work, and losses in the manufacturing sector began to be offset by new jobs in public administration, health care and in professional, scientific and technical fields. Economic stimulus policies during and post-recession supported growing employment in male-dominated sectors such as construction, where there ten times as many men found new jobs as did women.

Women's job losses and gains, on the other hand, took a very different path. Losses for women in the manufacturing sector were also significant, in addition to substantial losses in retail and wholesale trade — where men saw gains. Meanwhile, women found new jobs in professional, scientific and technical fields in nearly equal numbers to men. They were also more than three times as likely to find new jobs in health care, social services, and education.

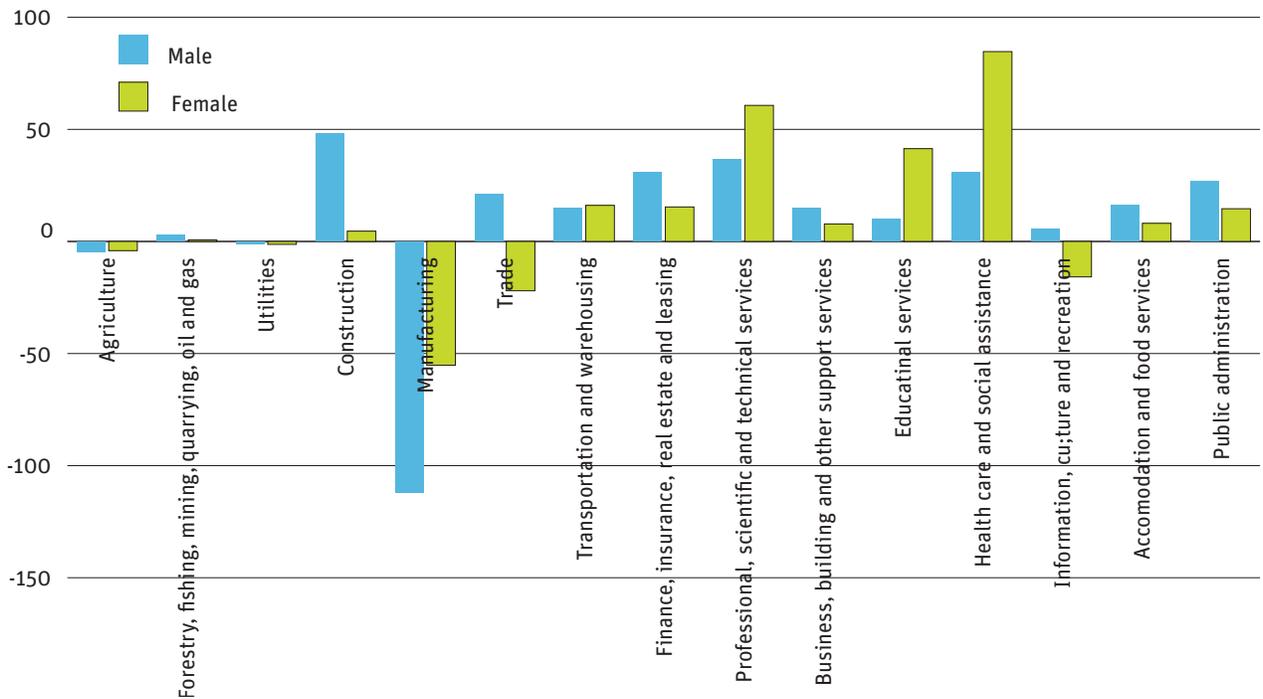
Just as men and women experienced the recession and recovery differently, so have different groups of women, in ways the overall employment rate doesn't reveal.

FIGURE 1 Employment Rate, Ages 25 to 64 Years: 2004–2013 (Ontario)



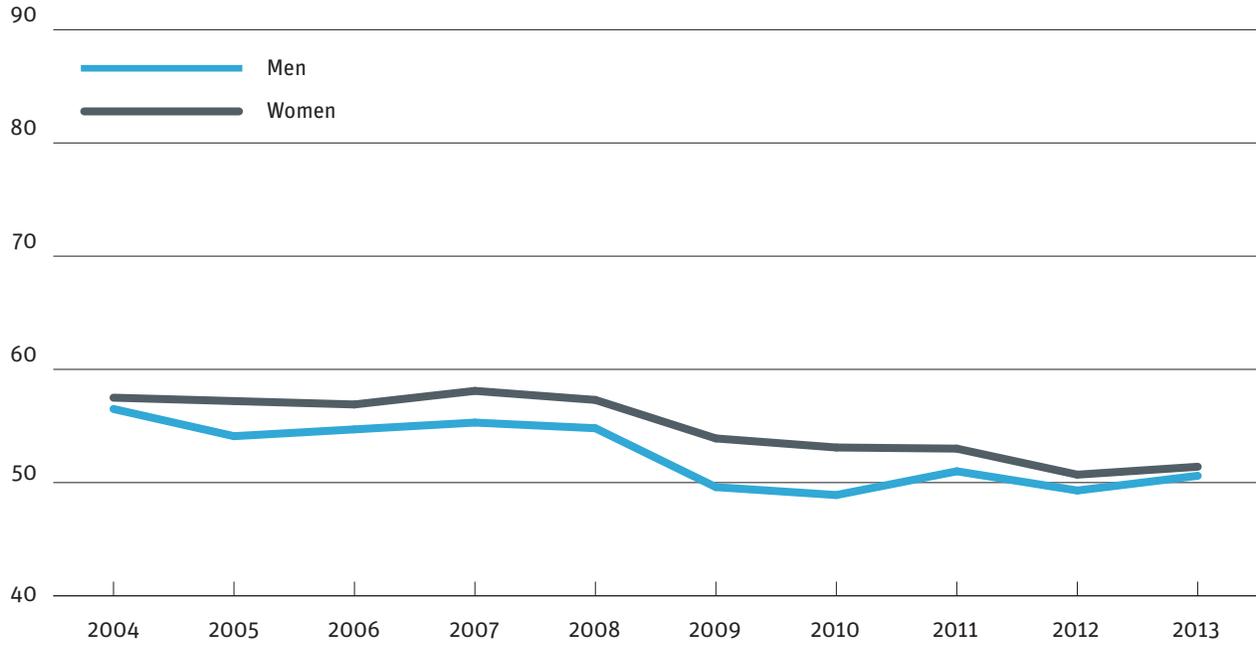
Source "CAN-SIM Table 282-0002: Labour Force Survey Estimates (LFS) by sex and detailed age group." Ottawa: Statistics Canada.

FIGURE 2 Job Losses and Gains, by Industry: 2007–2013 (Ontario)



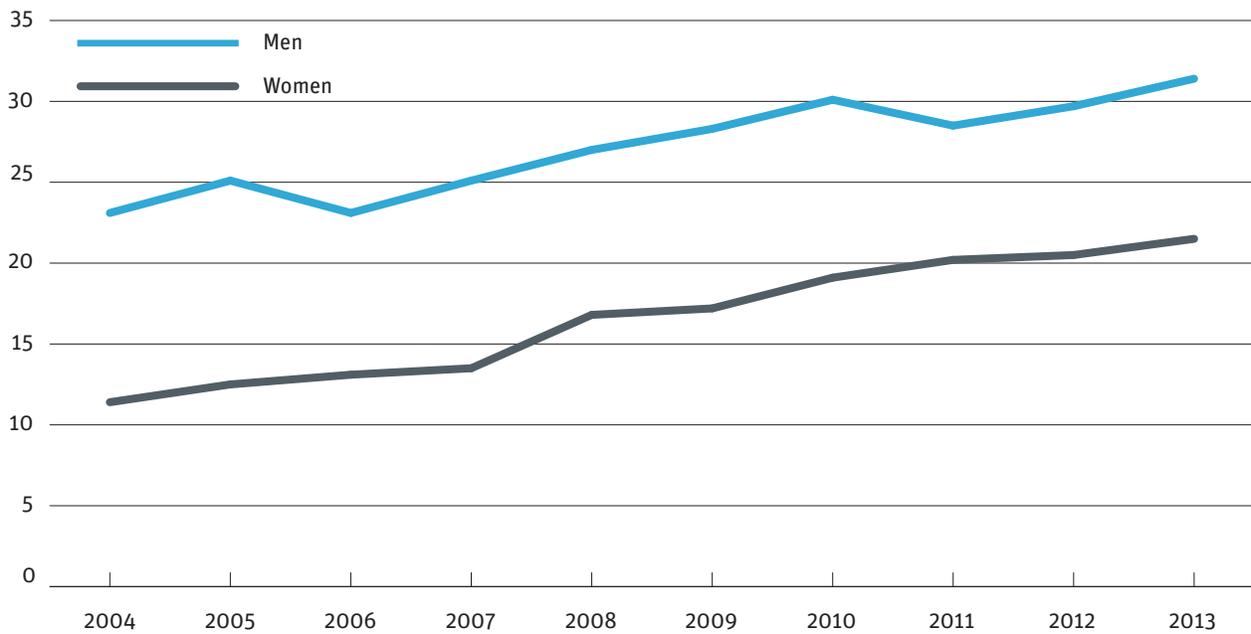
Source "CAN-SIM Table 282-0008: Labour force survey estimates (LFS), by North American Industry Classification System (NAICS), sex and age group." Ottawa: Statistics Canada.

FIGURE 3.1 Employment Rate, Ages 15 to 24 yrs: 2004–2013 (Ontario)



Source "CAN-SIM Table 282-0002: Labour Force Survey Estimates (LFS) by sex and detailed age group." Ottawa: Statistics Canada.

FIGURE 3.2 Employment Rate, Ages 65 to 69 yrs: 2004–2013 (Ontario)



Source "CAN-SIM Table 282-0002: Labour Force Survey Estimates (LFS) by sex and detailed age group." Ottawa: Statistics Canada.

Young women, like young men, have lower levels of employment overall. Unlike women over 25, young women's employment rates were on par with young men's or slightly higher in the decade preceding the 2008 recession. Going into the recession, 57% of women between the ages of 15–24 held jobs, compared to 55% of men.

Once the recession hit, however, the story changed. Young men and women both experienced a disproportionate drop in their employment rates in the recession, compared to older workers. That said, young women have seen a far steeper decline in their employment rate — dropping 8 percentage points from their pre-recession high to 50% today. This compares to a 5% drop in male employment during that same time frame. Over the past five years, young women have lost nearly 18,000 more jobs than young men.

At the other end of the spectrum, the number of women who stayed in the workforce after age 65 doubled between 2007–2013. Women's employment rate increased even faster than did men's in this age group (65–69), growing from 14% in 2007 to 22% in 2013. Of those women, more than half now work full-time. At no time in the past decade have so many women age 65 and older been in the paid labour market. This clearly points to the need for pension reform, to ensure old age security is more accessible for these women.

Full-Time Vs. Part-Time Work

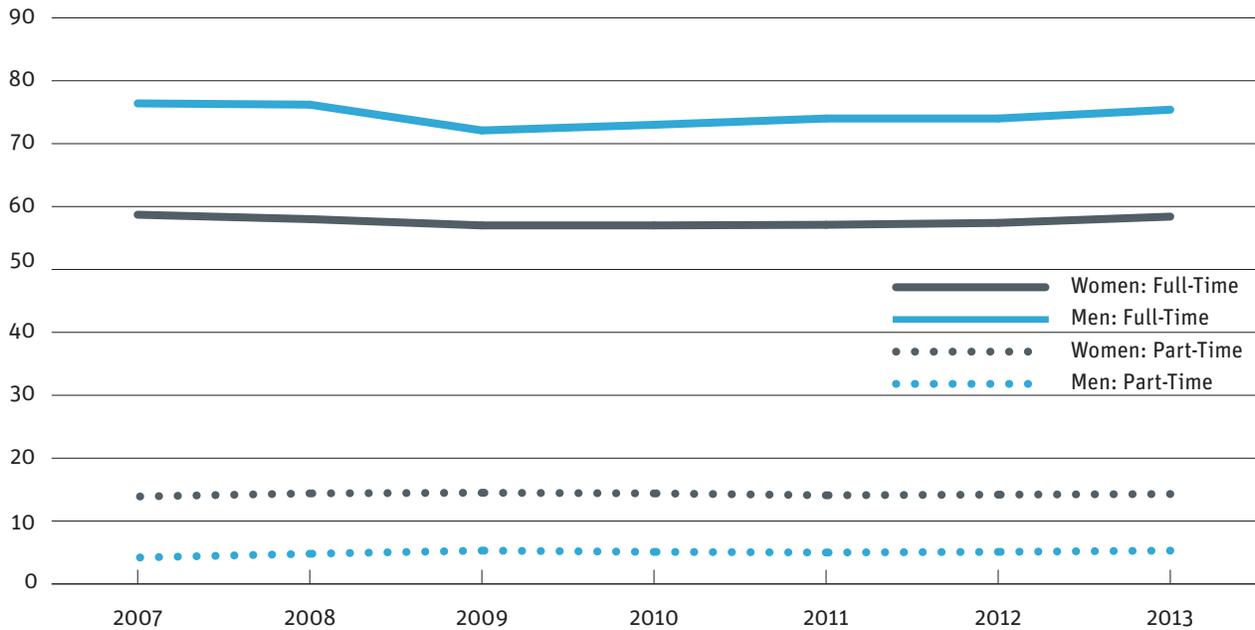
TWENTY YEARS AGO, less than half of all women between 25–64 held full-time jobs. The share of women with full-time jobs has slowly increased, year by year, to a high of 59% in 2007. This level of full-time employment is still far lower than that of men.

During the recession, women’s already low rate of full-time employment did not dip as sharply as did men’s: they dropped by 2% from their 2007 level, compared to a 4% drop for men. However, women’s rate of full-time employment started at a significantly lower level and has not shifted in the recovery. Women’s full-time employment rate has been stagnant at 57% for the past four years. This means that, proportionally, virtually none of the full-time jobs that are being created are going to women.

Women in Ontario are three times more likely than men to hold part-time jobs. This gender gap has remained unchanged for the past 20 years and the recession had little impact on this difference.

The jobs that younger workers hold are also more likely to be part-time. This can be attributed, in part, to the need to accommodate education and training. However, given that young men and women in Ontario are seeking education in relatively equal numbers, they should be holding part-time jobs in equal numbers. This is not the case. The majority of the jobs held by men under 25 are full-time and the majority of the jobs held by women under 25 are part-time. This was true before, during and after the recession.

FIGURE 4 Employment Rate, Part-Time and Full-Time, Ages 25 to 64: 2007–2013 (Ontario)



Source "CAN-SIM Table 282-0002: Labour Force Survey Estimates (LFS) by sex and detailed age group." Ottawa: Statistics Canada.

The standard explanation for why women over 25 are over-represented in part-time work is personal choice. Looking at the actual reasons men and women give for occupying part-time work, the percentage of women aged 25–64 who report that they work part-time out of preference has held steady at 4–5% for the past 20 years.¹ The same percentage of women point to business conditions and the lack of full-time jobs as the reason for working part-time. Women in Ontario are twice as likely as men to identify business conditions and the lack of full-time jobs as the reason for continuing to work part-time. The lack of growth in women’s full-time employment bears out this perception.

Women With Children

THE EMPLOYMENT RATE for women in Ontario with young children is not significantly different from those of women without children. Two-thirds of women in Ontario with children under the age of six have paid work.² In households where there is a working male parent, the mothers of young children are actually more likely to work and to work full-time. In families with young children, where both parents work, 78% of mothers work full-time. This fact runs counter to the idea that where there is a male breadwinner there is less need for women's full-time employment. With two incomes, these families are most likely to be able to afford child care and are choosing for both parents to be in the workforce.

Single-parent families were far more vulnerable to job loss during the recession. Single mothers with children under six saw the biggest increase (among parents) in their rate of unemployment — rising from a pre-recession low of 11% in 2007 to a high of 17% in 2010.³ Single mothers of young children, who arguably have the most evident need for paid employment, were the least likely to have it. The high cost of child care is certainly a contributing factor to the economic insecurity of single-mother families during economic downturns.

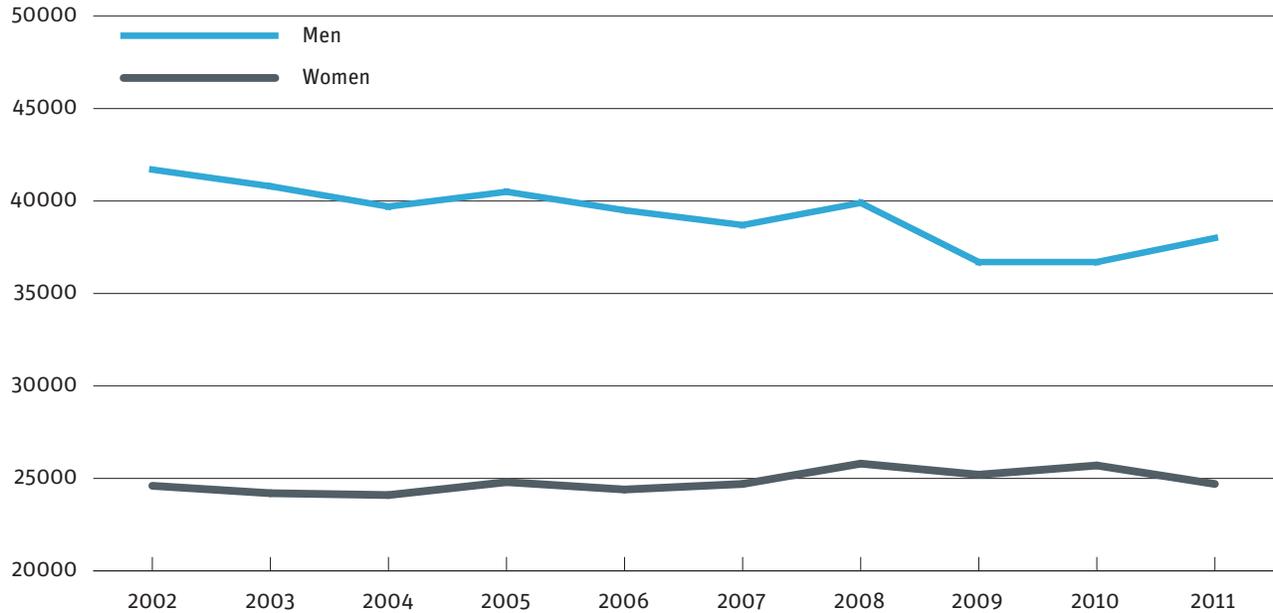
Women's Wages

IF YOU COMPARE working women's income to what working men earn — their annual median employment income — women earn 35% less than men in Ontario today.⁴ For the 20 years preceding the 2008 recession, women's earnings were, on average, 40% lower than men's earnings. The gap started to close in 2005 and continued to narrow in the first two years of the recession — not because women's paycheques were getting bigger, but because men's paycheques were getting smaller.

As men's earnings began to rise again in 2010–2011, the income gap between men and women began to widen. Men felt a greater impact on their earnings as a result of the recession. However, the greatest decline in men's earnings never saw their income come close to the low level of women's earnings. In 2008, women were making more than they ever had before or would subsequently, with a median earned income of \$25,800. However, women's highest income earning year still saw them making nearly \$11,000 less than the lowest level of male earnings level — which bottomed out at \$36,700 in 2009.⁵

For some groups of working women the picture is worse. Visible minority women earn 19% less than non-visible minority women and 24% less than visible minority men. First-generation immigrant women earn 18% less than non-immigrant women and 27% less than immigrant men. Aboriginal women's median income is 17% less than those of non-Aboriginal women, lags 25% behind the earnings of Aboriginal men and 40% behind the earnings of non-Aboriginal men.⁶

FIGURE 5 Median Employment Income: 2002–2011 (Ontario)



Source "CAN-SIM: Table 202-0102: Average female and male earnings, and female-to-male earnings ratio, by work activity, 2011 constant dollars, annual." Ottawa: Statistics Canada.

FIGURE 6 Median Employment Income, Ontario

	Male (25 to 54 years)	Female (25 to 54 years)
Aboriginal Identity	39,953	29,981
Non-Aboriginal Identity	49,654	36,060
Visible Minority	40,161	30,562
Non-Visible Minority	52,438	37,948
First Generation Immigrant	42,898	31,246
Non-Immigrant	52,177	38,330

Source National Household Survey 2011. Ottawa: Statistics Canada.

The gap between what women and men earn isn't merely the result of women's lower rate of full-time employment. Women working full-time earn 24% less than their male counterparts.⁷ Women are twice as likely to be low-income earners. Among the women employed in minimum wage or low-wage jobs, single women, racialized women and immigrant women are further over-represented.⁸

Poverty and Low Wages

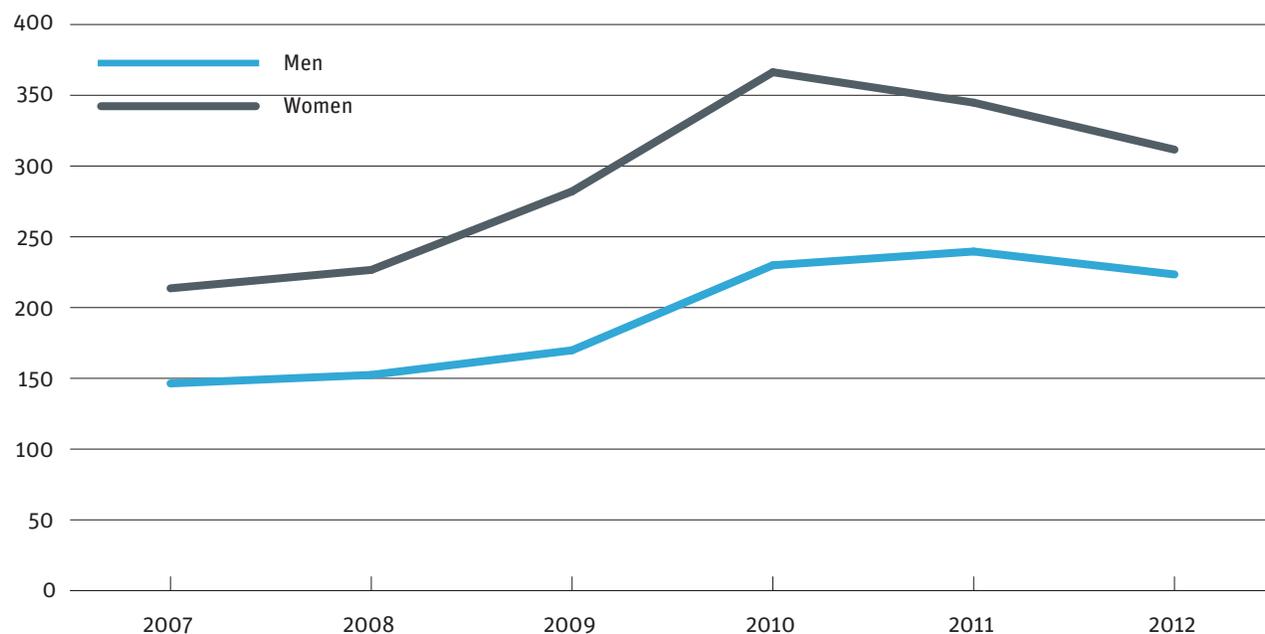
THE RECESSION HAS only increased the number of men and women working in minimum and low wage jobs, with women continuing to make up the majority of those workers.⁹ In 2008, 7% of working women in Ontario earned minimum wage, compared to 4% of men. By 2010, 12% of working women in Ontario were working for minimum wage, compared to 7% of men. The same is true for low-income earners.

Unmarried women, with and without children, experience the highest level of poverty as a group. The poverty rate for single women increased significantly during the recession. In 2007, 25% of single women in Ontario lived in poverty. By 2011, that number had risen to 32%. That means 75,000 more single women are living in poverty than at the start of the recession.

The poverty rate is also higher in households that depend on female earners – including two-parent families where the female parent is the sole income earner.¹⁰ Ontario households that depended exclusively on the incomes of working women saw their poverty rate increase significantly in the first year of the recession, leaving more than a quarter of a million more households living in poverty. For this group, however, the recovery has provided some relief, returning to close to pre-recession level by 2011. That level (18%) is still double the level of poverty for families where the single income earner is male (8%) and more than triple the level of poverty for families where both parents work (5%).¹¹

For parents, there are very few real choices when it comes to participating in paid work. Whether they are happy about it or not, the majority

FIGURE 7 Number of Workers Earning Minimum Wage or Less: 2007–2012 (Ontario)



Source "CAN-SIM Table 282-0002: Labour Force Survey Estimates By Sex And Detailed Age Group." Ottawa: Statistics Canada.

of parents (male and female) with young children need paid work to make ends meet. For those families that can afford to have one parent out of paid work, there are clear economic incentives for that parent to be female. The consequence of depending on a single, female income earner is that you double your chances of remaining low-income.

While it may 'make sense' in the short-term for mothers to leave paid work or reduce their hours of work in order to look after children, there are long-term consequences that are often overlooked. When women leave paid work to perform unpaid work at home, they stop making contributions to EI and CPP, reducing their protection from future economic shocks because they have lower contributions and fewer weeks of insured employment. They also reduce their income security in old age. They find themselves trading a high risk of poverty during their early family life for a high risk of poverty in their later life.

Increased economic insecurity also impacts the personal security of women in Ontario. Nearly half a million Ontarians (453,000) report having experienced spousal violence in the past five years.¹² On any given day, 3,459 women will seek protection from a shelter or transition home in Ontario.¹³ Without access to adequate income, many victims of family violence will stay in an abusive home.¹⁴

No Time to Turn Back

GOVERNMENT STIMULUS EFFORTS designed to counteract the worst effects of the recession have been largely focused on male-dominated industries such as construction (13% women), extractives (19% women) and manufacturing (42% women).¹⁵ What is needed now is a recovery strategy that continues to create jobs in the sectors where women are working (including in the public sector) rather than cutting those jobs in the name of austerity.

A recovery that lifts women out of economic insecurity must also address the barriers women face to filling jobs in the sectors where job growth is happening. Women are nine times more likely to cite child care as a reason for staying in part-time work rather than taking full-time work.¹⁶ Investing in safe, affordable child care will eliminate one of the biggest barriers to women's participation in paid work. It will ensure that working families don't have to decide between economic security and the safety of their children. Finally, investments in child care have demonstrated economic benefits: increasing GDP and decreasing income inequality.¹⁷

Increasing access to full-time work for the two-thirds of women who are not working part-time out of choice is important to those workers, to their families and to the economy. OECD projections conclude that narrowing the gap between men's and women's level of employment by 50% would increase the GDP per capita annual growth rate by 0.2 percentage points in Canada, potentially contributing an additional \$1.4 billion dollars to Ontario's economy in 2014 alone.¹⁸ Increasing access to full-time

work will increase Ontario's economic security and provide greater protection against poverty.

Increased employment and wages for women will provide a stronger foundation for their personal and economic security. Increased access to decent work and decent wages for all the working age members of a family will provide the foundation for low-income families to make real choices — choices that expand beyond poverty now or poverty later.

Ontario's economy needs to move forward. An inclusive strategy for economic growth will increase the momentum of Ontario's recovery and ensure that it truly is a recovery for everyone.

Notes

1 “CAN-SIM Table 282-0014: Labour Force Survey Estimates (LFS), Part-Time Employment By Reason For Part-Time Work, Sex And Age Group Annual.” Ottawa: Statistics Canada.

2 “CAN-SIM Table 282-0211: Labour force survey estimates (LFS), by family type and family age composition, annual.” Ottawa: Statistics Canada.

3 Ibid.

4 “CAN-SIM: Table 202-0102: Average female and male earnings, and female-to-male earnings ratio, by work activity, 2011 constant dollars, annual.” Ottawa: Statistics Canada. Based on median incomes for Ontario.

5 Ibid.

6 *National Household Survey 2011*. Ottawa: Statistics Canada.

7 Cornish, Mary (2013). *10 Ways To Close Ontario's Gender Pay Gap*. Toronto: Canadian Centre for Policy Alternatives Ontario Office.

8 Block, Sheila (2013). *Who Is Working For Minimum Wage In Ontario?* Toronto: Wellesley Institute.

9 “CAN-SIM Table 282-0002: Labour Force Survey Estimates By Sex And Detailed Age Group.” Ottawa: Statistics Canada. Custom tabulations from Labour Force survey microdata.

10 “CAN-SIM Table 202-0804: Persons in low income, by economic family type, annually.” Ottawa: Statistics Canada. There is currently no data on same-sex household family incomes for Ontario.

11 “CAN-SIM Table 202-0803: Persons in low income families, by age and sex of major income earner, annual.” Ottawa: Statistics Canada.

12 Sinha, Maire ed. (2013). *Measuring Violence Against Women: Statistical Trends*. Statistics Canada.

13 “CAN-SIM Table 256-0017: Transition home survey, one-day snapshot of women residing in shelters because of spousal abuse, Canada, provinces and territories.” Ottawa: Statistics Canada.

14 Tutty, Leslie (2006). *Effective Practices in Sheltering Women Leaving Violence in Intimate Relationships*. Toronto: YWCA Canada.

- 15** “CAN-SIM Table 282-0008: Labour Force Survey Estimates (LFS), By North American Industry Classification System (NAICS), Sex And Age Group.” Ottawa: Statistics Canada.
- 16** “CAN-SIM Table 282-0014: Labour force survey estimates (LFS), part-time employment by reason for part-time work, sex and age group.” Ottawa: Statistics Canada.
- 17** Alexander, Craig and Dina Ignjatovic (2012). *Early Childhood Education Has Widespread and Long Lasting Benefits*. Toronto: TD Economics.
- 18** OECD. (2012). “Table I.A3.1. Projected average annual growth rate in GDP and GDP per capita in USD 2005 PPP, percentage, 2011-30.” *Closing the Gender Gap: Act Now*. Paris: OECD Publishing.



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