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# Economic Security of Women in Canada

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Telling Canada's  
story in numbers

**Presentation to the House of  
Commons Standing Committee on  
the Status of Women**

February 2, 2017

Canada



# Topics highlighted in this presentation

- Postsecondary access and attainment
- Wage and occupational differences
- Low income
- Retirement preparedness

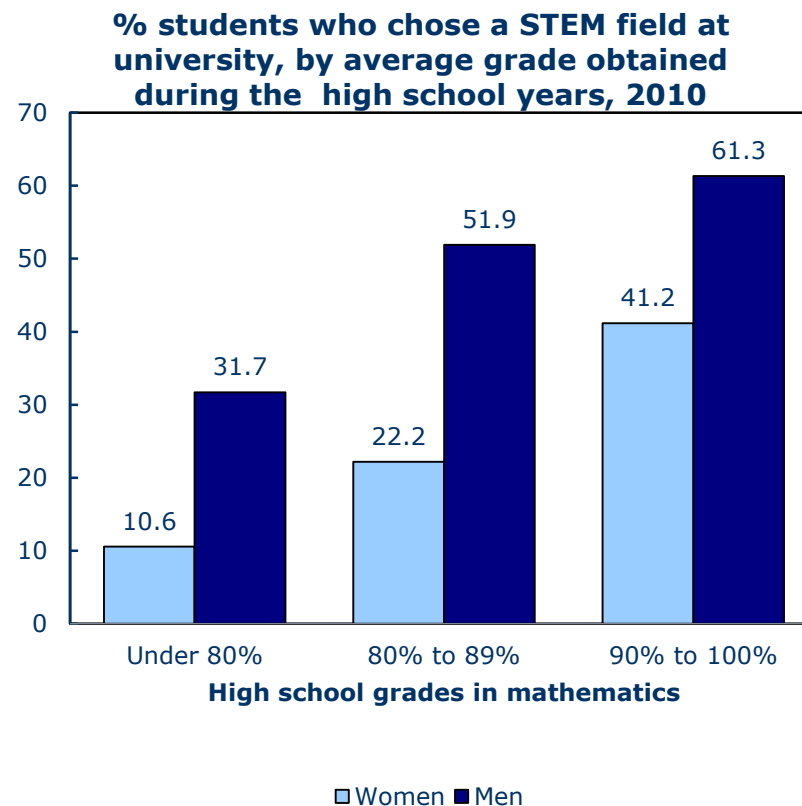


# Postsecondary Access and Attainment

- Changes in the economy, including shifts to globalized markets and an emphasis on innovation and technology, mean that education is more and more an integral component of economic and social well-being
- Women complete postsecondary at higher rates than men, and are well represented in co-op programs
- Girls (age 15) score significantly higher in reading than boys, have similar results in science and lower scores in mathematics (in some provinces)
- Particular interest is often paid to the share of women in science, technology, engineering, and mathematics (STEM) fields, partly because it could reflect an influence of gender stereotypes about female and male capabilities that steer girls and boys, women and men toward different educational and career paths
- Young women are more likely to choose non-STEM studies at all levels of postsecondary
- According to a recent study, even girls who get high scores on math (at age 15) were less likely to choose a STEM program 10 years later (next slide)

## Girls who achieve high scores on math at age 15 were less likely to choose a STEM program 10 years later

- A recent study used high school math scores from 2000 for a cohort of Canadian girls and boys, who were then followed up ten years later to determine if high school math grades were related to STEM program choice at university
- Controlling for other factors that could influence program choice, men with high math scores were more likely to choose a STEM program over women with equally high scores

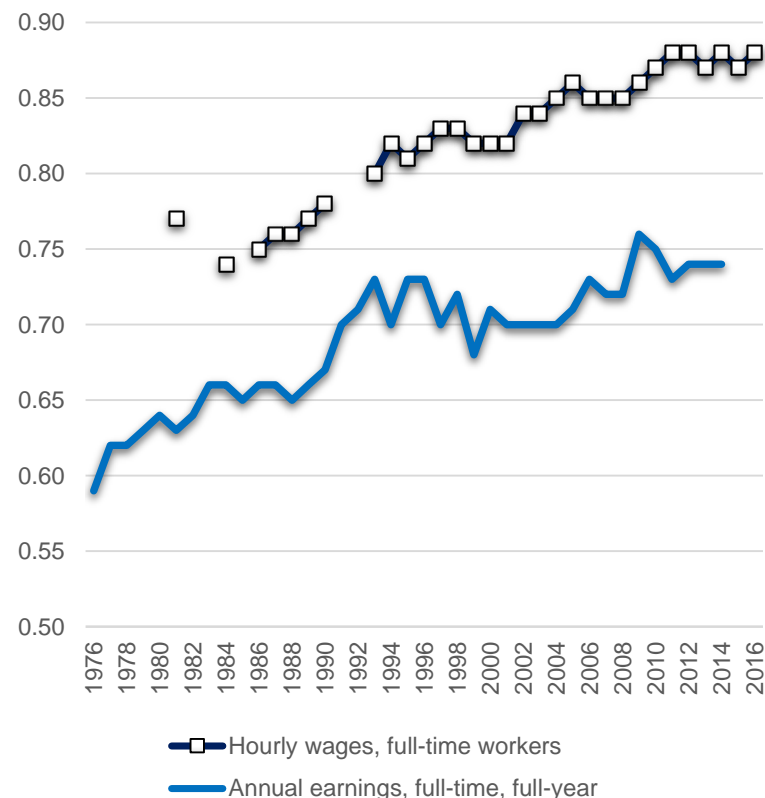


Source: YITS-PISA (2000 to 2010)

# Wage and Occupational Differences

- The hourly wage of full-time women workers was 88% percent that of men in 2016
- This gender wage gap has narrowed substantially over time, with the increasing education level of women playing an important role. However, the wage gap persists, even between men and women with the same level of education
- Women are much more likely to work part-time than men
  - Women are most likely to state that their reason for working part time is to care for children with “personal preference” a close second
- In the government sector, men and women are equally likely to be incumbent in leadership positions. In the private sector, only 26% of senior managers were women
- In 2014, 21.6% of the “top 1%” of earners were women (next slide)

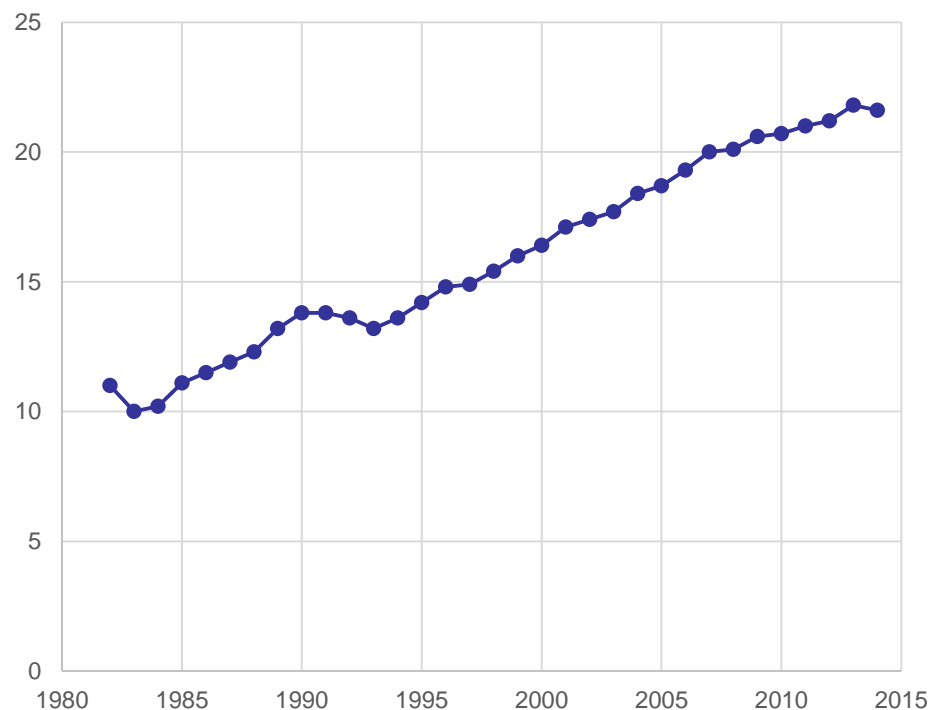
Chart: Gender pay ratio (women:men) for workers aged 25 to 54, Canada, 1976-2016



# In 2014, 21.6% of the top 1% were women

- In 2014, it took \$225,100 to get into the “Top 1%” of earners
- The share of the top 1% who were women rose steadily from 10% in the mid-1980s to more than 20% in recent years

Share of the “top 1%” of earners who were women



Source: The Longitudinal Administrative Databank (1982-2014)

# Low income

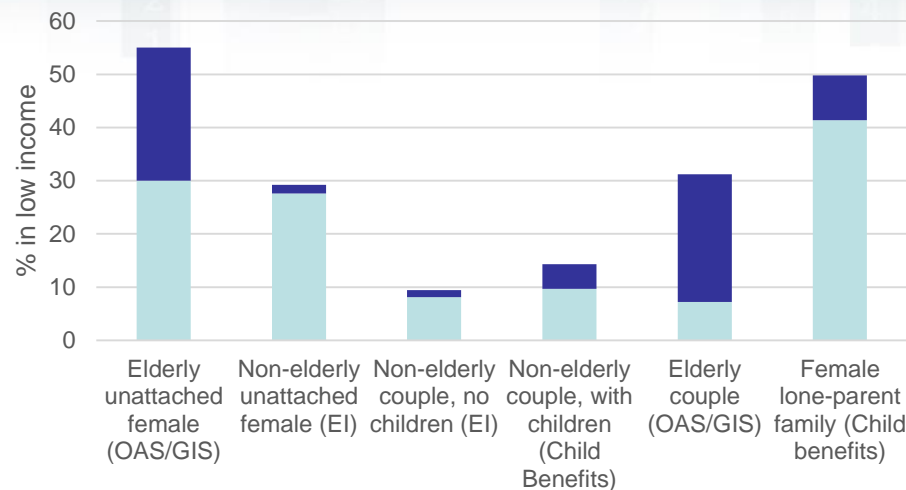
- Although family incomes have grown steadily over the past two decades, the low-income rate for women has been steady at about 14%
  - In 2014, 13.5% of women lived in families in low income
  - Compares to about 12.5% of men
- The low-income rate is higher for women (and men) in certain socio-economic groups

Aboriginal People	Unattached
Recent immigrants	Lone parents
Disabled persons	Visible Minorities

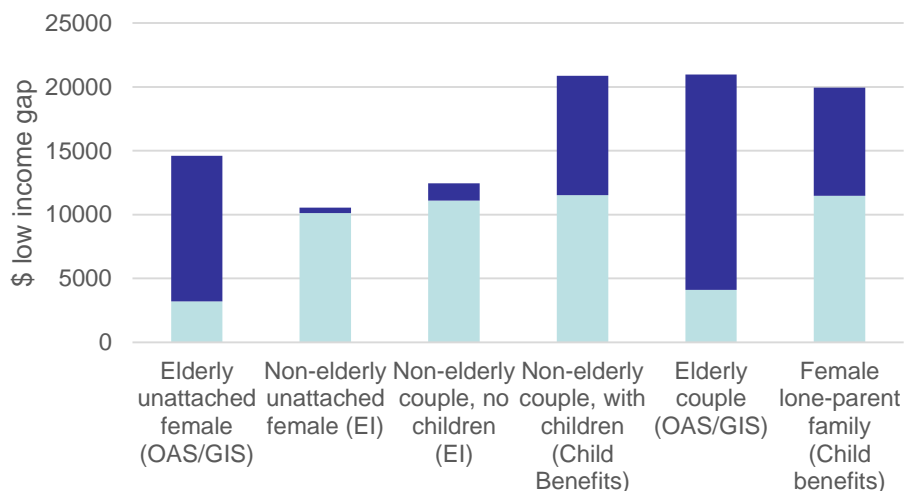
- Lone-parent families, and unattached seniors, and especially those aged 75 and over stand out as groups where the low-income rate is much higher for women than men
- Federal transfers substantially reduce the low-income rate for families with children and seniors (next slide)

## Federal government transfer programs reduce the low-income rate, especially for families with children and senior families

- OAS and GIS reduce the rate and gap (how much income shortfall low-income families have)
- OAS/GIS provides enough income to lift 45% of elderly unattached women out of low income and reduces the low-income gap from \$14,600 to \$3,200
- Child benefits reduce low income in female lone-parent families by 8%, but, importantly, it also reduced the low-income gap by \$8,500
- Government transfers (including provincial transfers) lifted half of disabled persons out of low income



■ LIM-AT ■ How much higher it would have been without their main transfer



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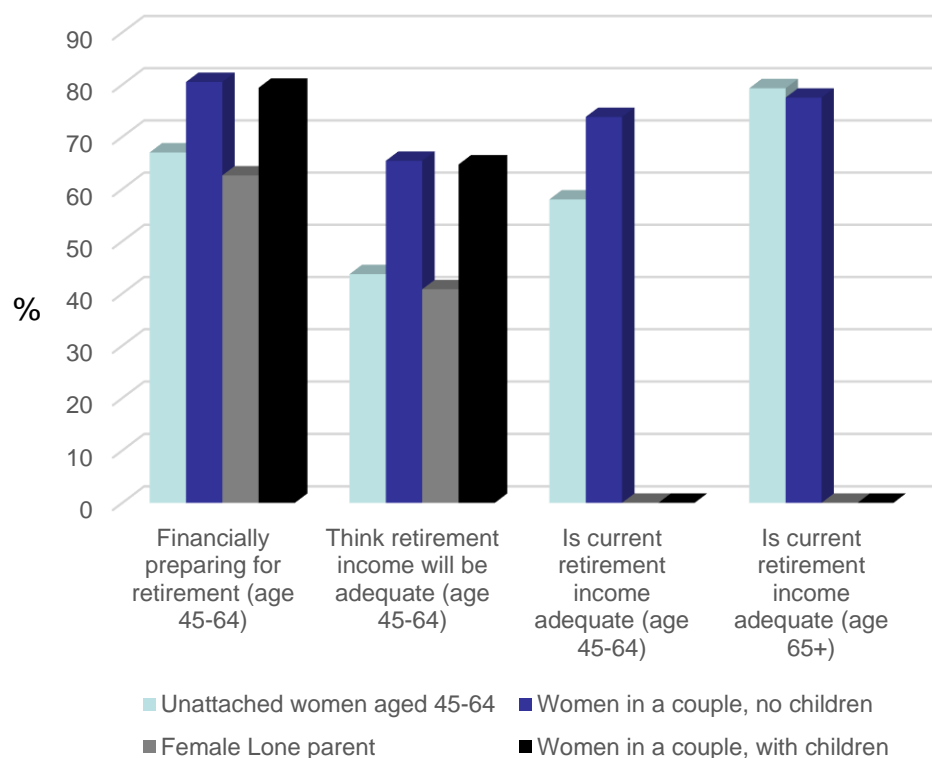


# Retirement preparedness

- On a recent test of financial literacy, women scored worse than men, and were also less likely to report having confidence in their financial skills. This is even more pronounced among older women
- 40% of employed women had a Registered Pension Plan, a slightly higher percentage than men, which reflects their concentration of employment in the public services
- More than one out of every two (56%) women have an RRSP
- Two out of three women approaching retirement (45-64) have an RRSP
- Low-income women are less likely to have an RRSP (21% for women overall and 25% for those approaching retirement)
- Unattached women and lone-parent females were less confident about their retirement prospects (next slide)

## Unattached women and lone-parent females were less confident about their retirement prospects

- Among women aged 45-64, unattached women and lone-parents were less likely to be financially planning for retirement
- They were also less likely to think their retirement income will be adequate
- The “kicking in” of OAS/GIS at age 65 seems to make a difference to unattached women’s income adequacy. Among retired women age 45-64 who lived alone, 58% said their income was adequate, while among similar retired women age 65+, 79% said their income was adequate



Source: Longitudinal and International Study of Adults (2014)

# Summary points

- Women graduate from university in higher numbers than men, but are underrepresented in science, technology, engineering and math programs (STEM)
- Women have narrowed the wage-gap with men in past decades. However, women are underrepresented in senior manager jobs, as well as in the top 1% of earners
- Unattached senior women and lone-parent women have higher rates of low income than other women and men. Federal government transfers to seniors (OAS/GIS) and child benefits reduce the rate and severity of low income for women
- Unattached women and lone-parent women are less optimistic about their retirement prospects and are less likely to be saving for retirement than other women



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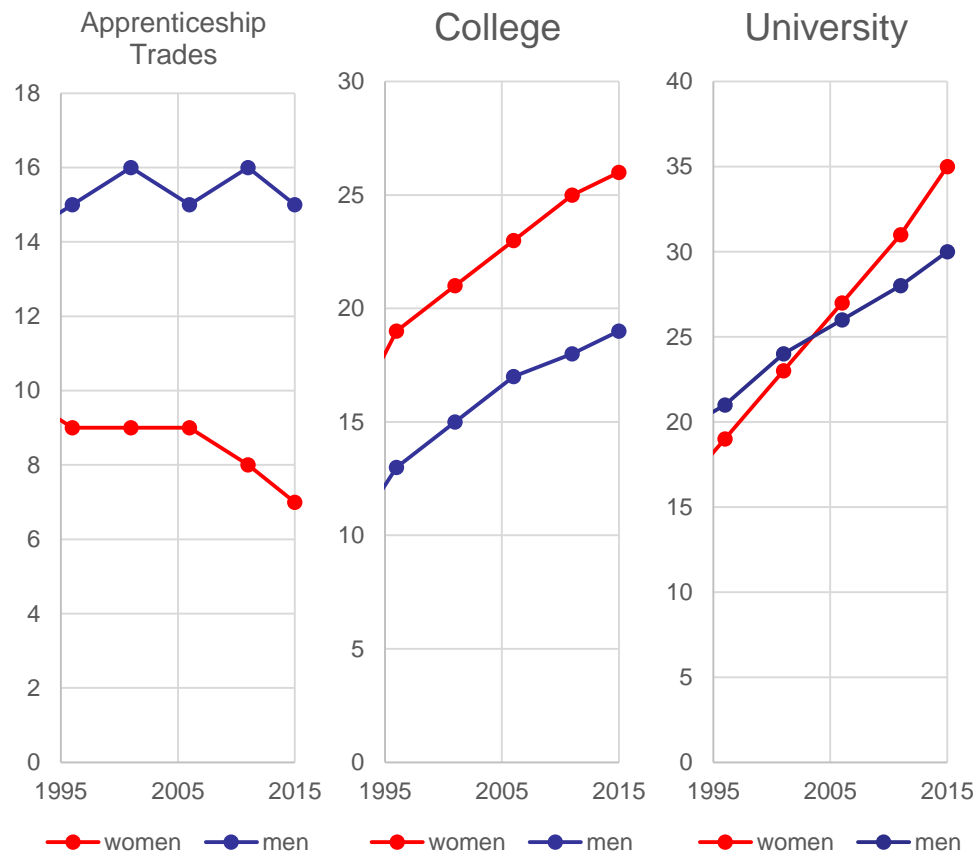
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# Supplementary slides

## Women complete postsecondary at higher rates than men

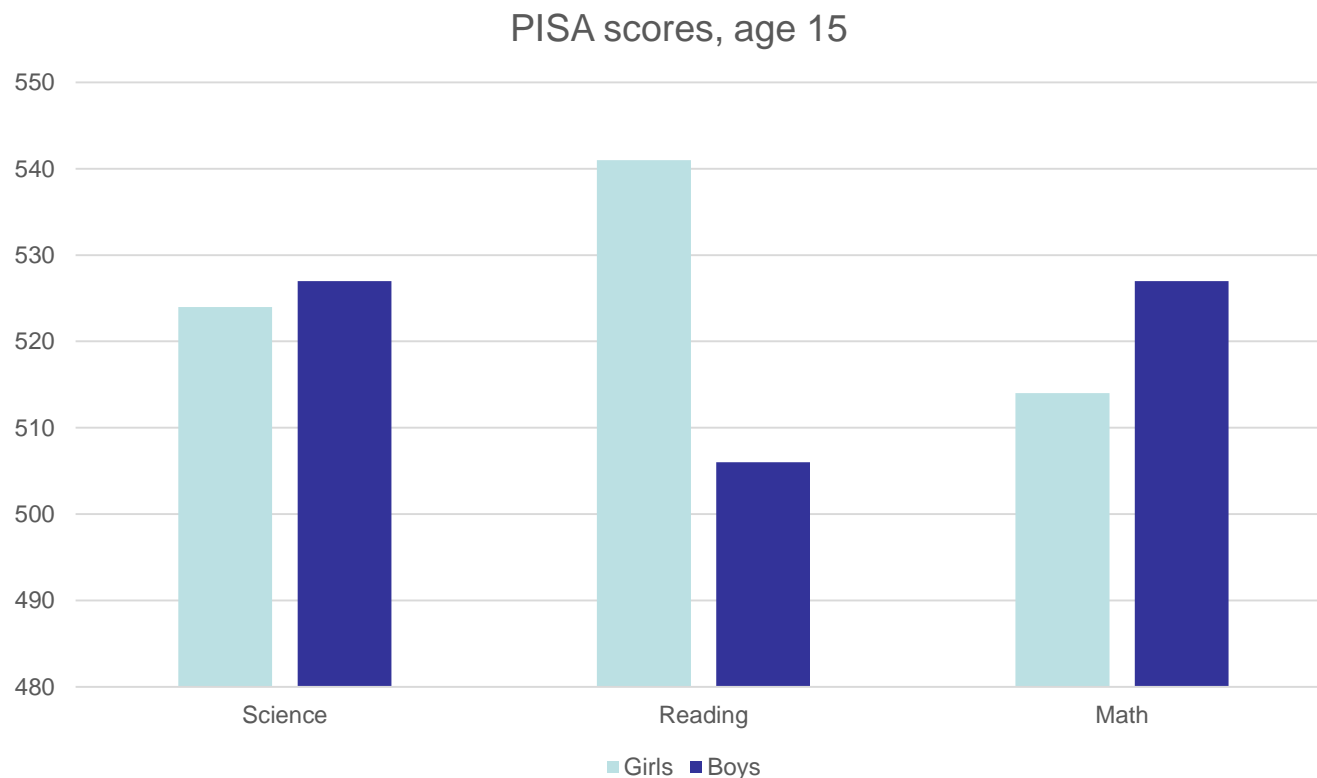
- The proportion of women aged 25 to 64 with a university certificate or degree grew at a faster pace than that of men, more than doubling between 1991 and 2015 from 15% to 35%
- The percentage of women with a trades certificate has declined somewhat from 10% in 1991 to 7% in 2015. Among men, the percentage with a trades certificate has remained relatively constant
- The growth in female apprenticeship was larger than males; increasing by 6.7 times to about 14,000, from 1991 to 2013
- Women accounted for 60% of (the class of) 2010 university bachelors registrations and for 55% of all co-op registrations



Source: Labour Force Survey (1995-2015)



## Girls score significantly higher in reading than boys, have similar results in science and lower scores in mathematics

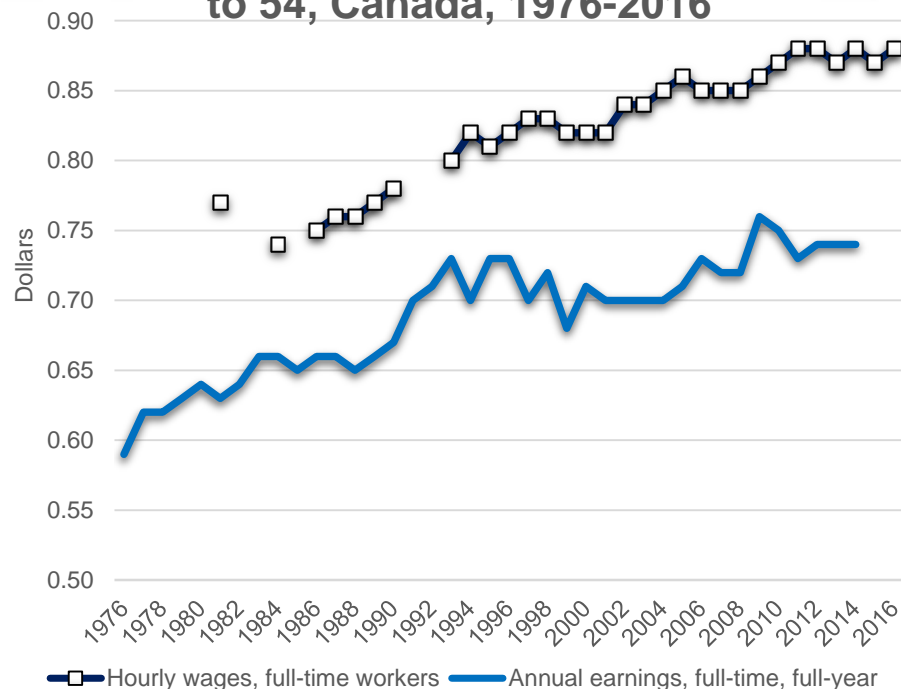


Source: PISA (2012)

## Reduction in gender pay ratio over time

- In 2016, the hourly wage of full time, women workers was 88% percent that of men
- When comparing women and men with the same demographic, work and workplace characteristics, a recent study indicates that women earned 92% as much as men

Chart: Gender pay ratio (women:men) for workers aged 25 to 54, Canada, 1976-2016



Source for annual earnings: Statistics Canada, Survey of Labour and Income Dynamics & Canadian Income Survey, custom tabulations provided by the Income Statistics Division

Source for hourly wages, 1981, 1984, 1986-1990, 1993-1996: Baker, Michael and Marie Drolet. 2010. "A new view of the male/female pay gap." Canadian Public Policy 36(4): 429-464.

Source for hourly wages, 1997-2015: Statistics Canada, Labour Force Survey, custom tabulations

# Women more likely than men to work part-time, and to do so by choice

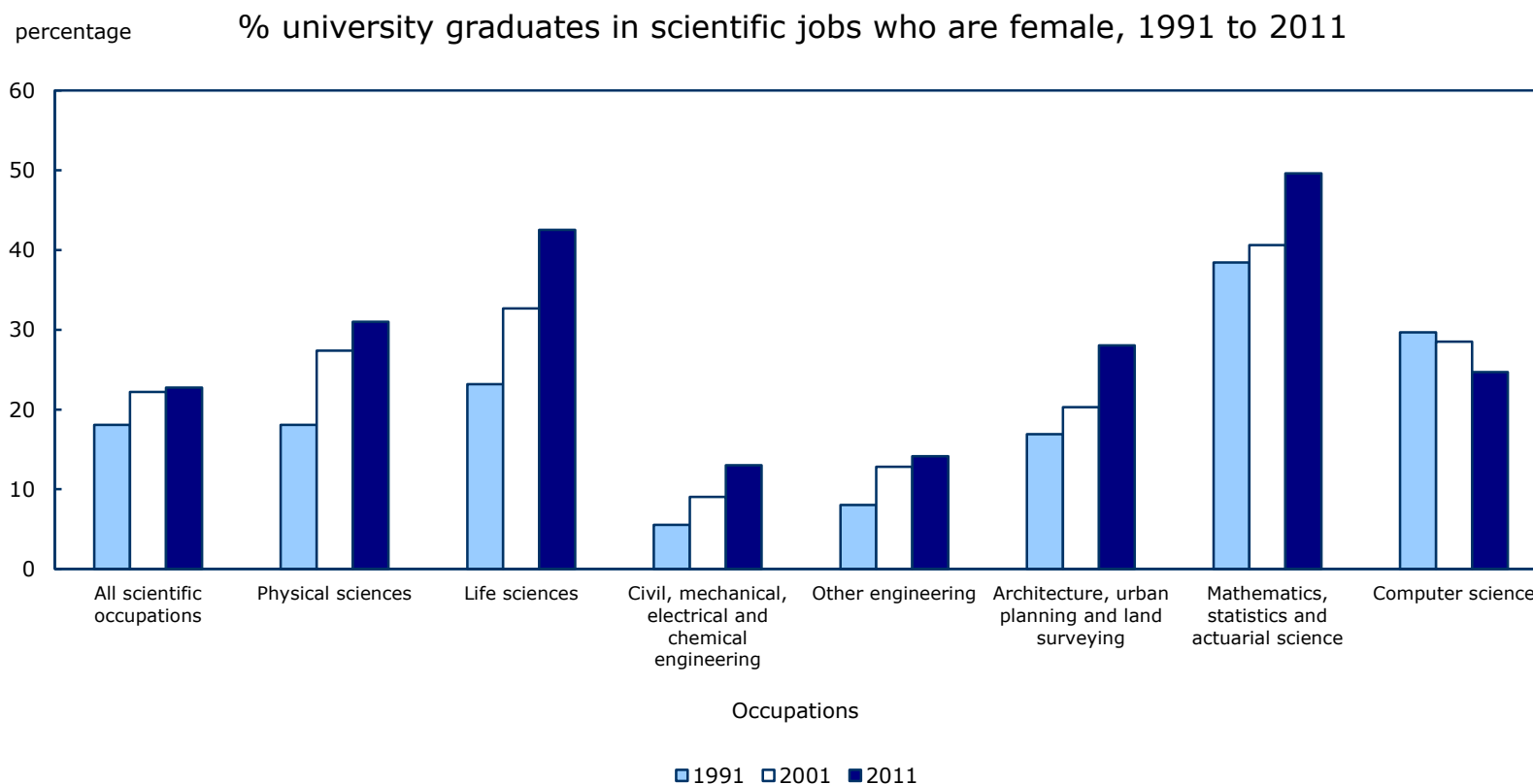
Table: Part-time employment and reasons for it among workers aged 25 to 54, Canada, 2016

	Women	Men
<b><i>Part-time employment, all reasons</i></b>	<b><i>18.8</i></b>	<b><i>5.8</i></b>
<i>Voluntary reasons</i>	<i>88.6</i>	<i>81.0</i>
Own illness	4.5	7.9
Caring for children	25.7	4.7
Other personal or family responsibilities	6.2	3.8
Going to school	7.7	12.9
Personal preference	21.1	18.0
Other voluntary	23.4	33.7
<i>Involuntary reasons</i>	<i>11.4</i>	<i>19.0</i>
Business conditions, looked for full-time work in last month	6.2	11.4
Could not find full-time work, looked for full-time work in last month	5.2	7.7

Source: Statistics Canada, Labour Force Survey, CANSIM tables 282-0002 and 282-0014



# Higher educated women made some gains in technological jobs, except in computer science jobs



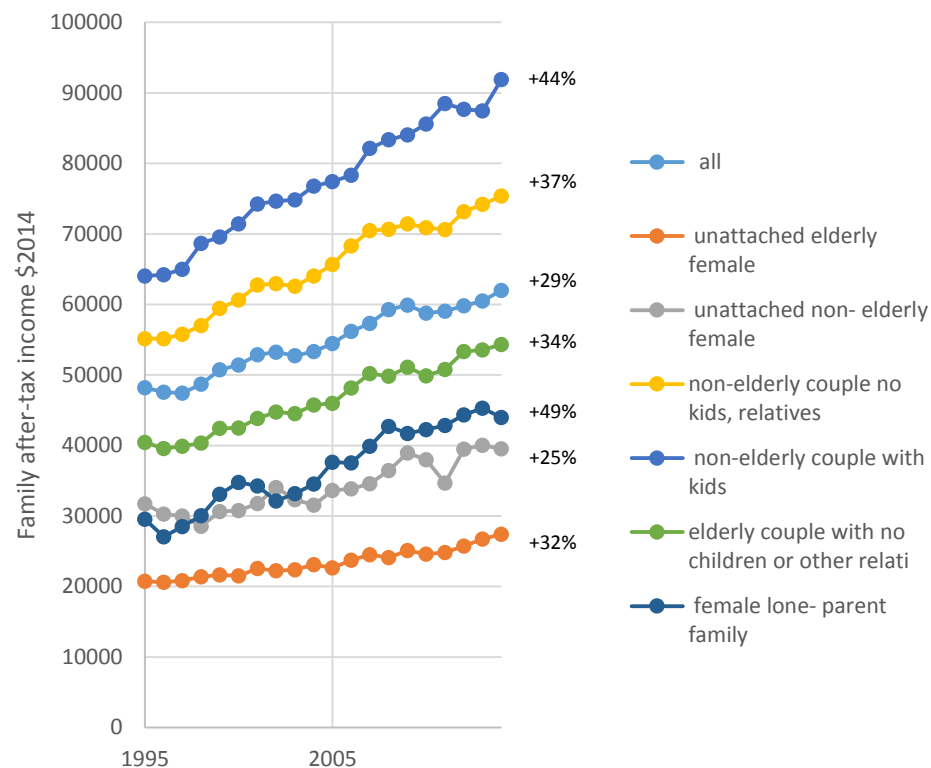
Source: Census (1991 and 2001) and NHS (2011)

# Low-income Measure (LIM)

- For the purposes of this study, we present statistics using the “Low-income Measure” (LIM-AT) which is Statistics Canada’s headline measure of low income
- The concept underlying the LIM-AT is that, if your family after-tax income is below half of the median family after-tax income in a year, then your family is in low income for that year
- It is important to underscore that low income is measured at the family level, so family characteristics play an important role in understanding low income
- Thus, the LIM measures
  - whether women’s incomes are keeping up or falling contemporary living standards,
  - whether women are at higher risk of having incomes significantly below the norm, and
  - which women are more at risk of having income significantly below the norm

# Family incomes have grown substantially over the past two decades

- Family incomes also differ strongly among family types – due in part to the number of earners in the family

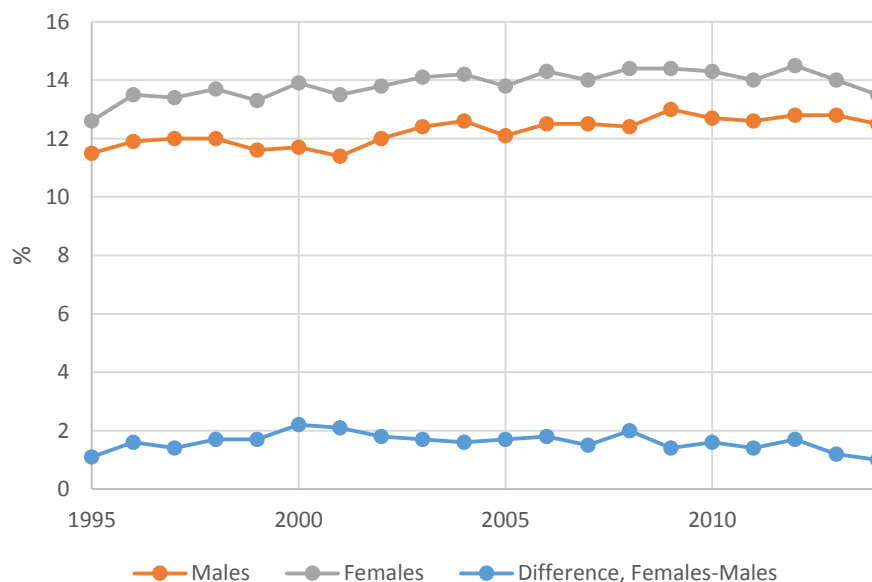


Source: Canadian Income Survey (1995-2014)

# Low incomes have remained steady, slightly higher for women

- Indicates that about 13-14% of women fall significantly below the median
- Gap between men and women is stable over time at 1-2 percentage points

Low-income rate, Men, Women, 1995-2014



Source: Canadian Income Survey (1995-2014)

## Women are at a higher risk of falling into low income.

- Among women, those with disabilities, who are visible minorities, who are recent immigrants and who are unattached have a higher risk of low income
- Persons in a female lone parent family have a higher risk of low income
- Women who are 75 and over have much higher low-income rates than their male counterparts

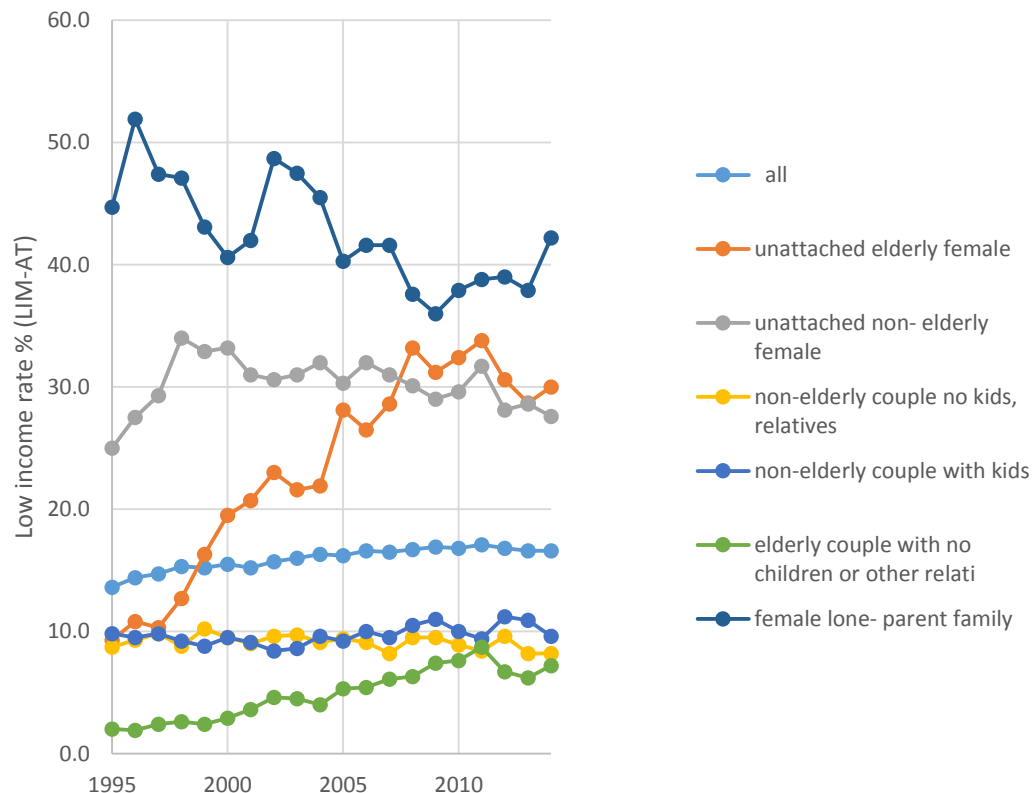
### Low-income rate (LIM-AT), 2014

	Men	Women
	%	
All	12.5	13.5
Age 0-17	15.3	14
18-24	15.6	15.2
25-44	10.7	13.1
45-64	12.4	12.5
65-74	11	12.5
75+	9.4	17
In a non-elderly family	10.6	
In an elderly family	8.3	
In a female lone-parent family	42.2	
Unattached, non-elderly	26.4	27.6
Unattached, elderly	26.3	30.0
Visible Minority (2011)	21.1	21.9
Recent immigrant	25.2	24.8
Disabled person	17.4	21.6

Source: Canadian Income Survey (1995-2014)  
National Household Survey (2011)

## Evolution of Low incomes has been different for family types

- Notable increases in low incomes for unattached elderly women, elderly couples
- Decline for persons in female lone parent families



Source: Canadian Income Survey (1995-2014)

# Retirement preparedness

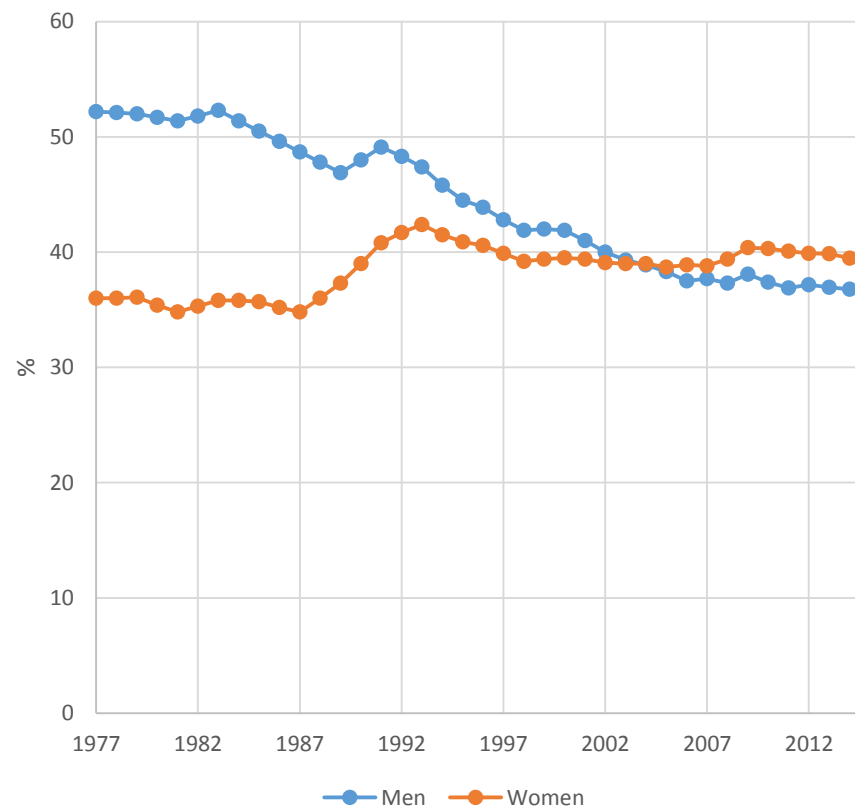
## Registered Pension Plans

- Between 1977 and 2011, the proportion of employed women covered by RPP's increased from 36% to 40%.
- This increase has led women to surpass men in terms of coverage rates than men, mainly because of differences in industry of employment.
- Coverage is more prevalent for higher earners

## RRSPs and TFSAs

- More than one out of every two (56%) of women have an RRSP and almost two out of three (66%) women approaching retirement (45-64) have an RRSP. The ownership of RRSPs for women in low income is considerably less (21% for women overall and 25% for those approaching retirement)
- Low-income women are likewise less likely to save in TFSAs

Registered Pension Plan (RPP) coverage



Source: Pension Plans in Canada, Labour Force Survey (1977-2012)