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Ensuring equality in growing sectors of the economy

The caring professions and other female-dominated areas of the economy are projected to create the most jobs in Canada over the next decade. With the future of jobs increasingly female, we need to focus on raising wages and creating good jobs in these sectors to improve the quality of jobs for everyone.

Thirty per cent of the new jobs projected to be created in the next seven years are expected to be in health care and social assistance, where the workforce is now 83 per cent female. The second-largest share of jobs (8.3 per cent of the total) will be created in the retail sector, where the workforce is 54 per cent female. The male-dominated construction industry will create 7.7 per cent of new jobs. Close behind construction are new jobs in education, accommodation and food services, where the workforce is also predominantly female. The share of jobs in primary, resource and manufacturing industries, all male-dominated, is expected to keep shrinking.

Just under 48 per cent of Canada's workforce is now female. But more than 54 per cent of new jobs created by 2024 will be in female-dominated sectors, if current gender ratios by industry don't change. Jobs in female-dominated sectors tend to be lower-paid and more precarious than in male-dominated occupations.



There's been an ongoing push to get more women into traditionally-male, higher-paid occupations. These include jobs in science, engineering, technology and trades, as well as management positions. But this positive objective has had limited success. Gender equality in these occupations has largely stalled in the past 20 years. Some of the most gendered industries have become even more so.

So yes, let's get more women to work in traditionally male-dominated occupations. But let's also get more men working in traditionally-female occupations, especially those in the growing "care economy." That's where a growing number of future jobs will be. By improving gender equality, wages and working conditions in these occupations, we'll be building a more equal workforce, and more equitable society.

Five reasons a higher minimum wage helps us all



Business lobby groups are protesting plans in Ontario, Alberta and BC to raise the minimum wage to \$15 an hour. But there's plenty of evidence higher wages are needed to boost economic growth. There are also important social and political reasons to significantly increase minimum wages.

1. It'll boost our sluggish economy

Labour compensation and household spending make up almost 60 per cent of our Gross Domestic Product. Higher wages mean more spending, and more demand for goods and services. If wage and income growth stays low, economic growth will remain sluggish and businesses won't create new jobs. Minimum wage increases might lead to slower job growth and some job losses, but they'll be counter-balanced by the new jobs resulting from increased demand. Recent studies have found few job losses from minimum wage increases.

2. It'll draw people back into the workforce

Our economy is also being held back by slow labour force growth, including from fewer people working or looking for work. Higher minimum wages are likely to draw more people back into the workforce, which will boost our economy over the long term.

3. It'll increase productivity

The most productive and competitive countries in the world aren't those with low wages, but are higher-wage countries, such as Switzerland, Germany, the United States and the Scandinavian countries. Higher wages force businesses to invest in more efficient equipment, which increases productivity and makes them more competitive internationally. In addition, a stronger economy will encourage employers to invest more in their workers to increase productivity.

4. It'll help reduce inequality

Higher minimum wages directly benefit the lowest-paid workers.

Minimum wages have barely kept up with inflation since the mid-1970s, while productivity, and compensation for top executives, has increased much more rapidly. Growing inequality hasn't just been bad for our society and those directly affected, it's also been bad for the economy.

5. It'll build solidarity

Growing inequality fuels hopelessness and desperation. A recent EKOS survey shows more people feel their personal financial situation will be worse in the next five years than those who think it will be better. People have become increasingly cynical and tired of promises that don't improve their standard of living. Feeling forgotten and left behind has helped fuel the rise of right-wing populism and xenophobia. The question isn't whether employers can afford this minimum wage increase for economic reasons. It's whether we can afford the social and political consequences of not raising minimum wages.

Raising the minimum wage: Who benefits?

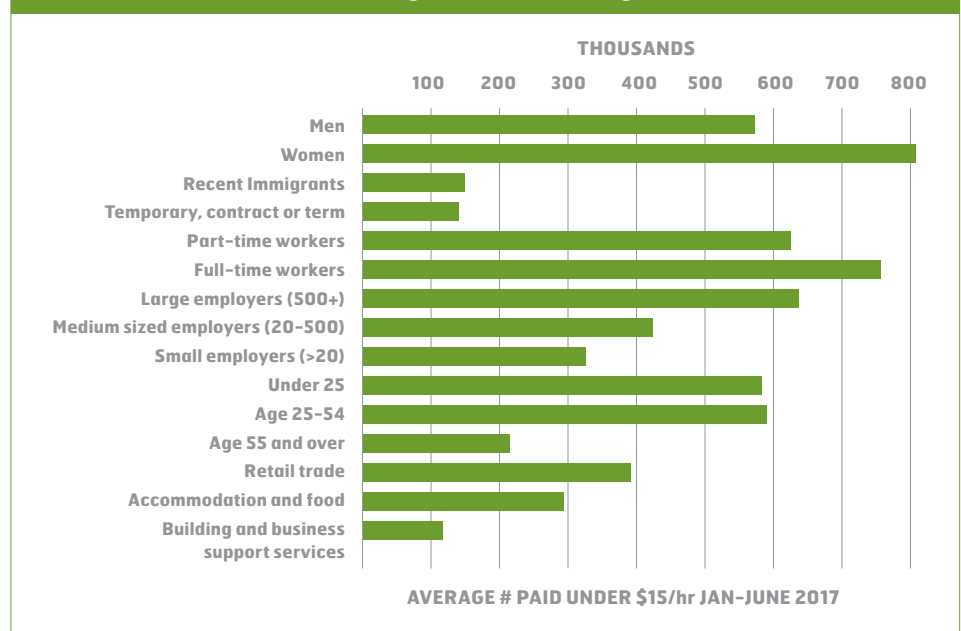
Raising the minimum wage to \$15 an hour will directly benefit more than one in five Ontario workers. The benefits will be broad-based, and will help a wide variety of different workers in different sectors.

Women, younger workers, recent immigrants, and part-time, temporary and precarious workers are more likely to be paid less than \$15 an hour. So a greater number of them will benefit from a minimum wage increase. However, many other workers will also benefit.

In fact, more adult workers aged 25-54 will benefit than young workers under 25. And contrary to some arguments from opponents about impacts on small employers, employers with more than 500 workers have by far the most low-paid employees. The majority of these large employers are in the retail, accommodation and food, and building and business support sectors (including cleaners). These employers can afford to pay their workers a decent wage. These figures are for Ontario, but the impact of a minimum wage hike will be similar in other provinces.

There will be other indirect benefits as well. Increases in the minimum wage will also help ratchet up wages, especially for other relatively lower-paid workers. Those at the top might not benefit, and might have to cut back on their own compensation. But that's not necessarily a bad thing!

Who benefits from raising the minimum wage to \$15? - Ontario



Source: Data analysis by David Macdonald, CCPA, using Statistics Canada Labour Force Survey microdata

Current and planned minimum wage rates across Canada

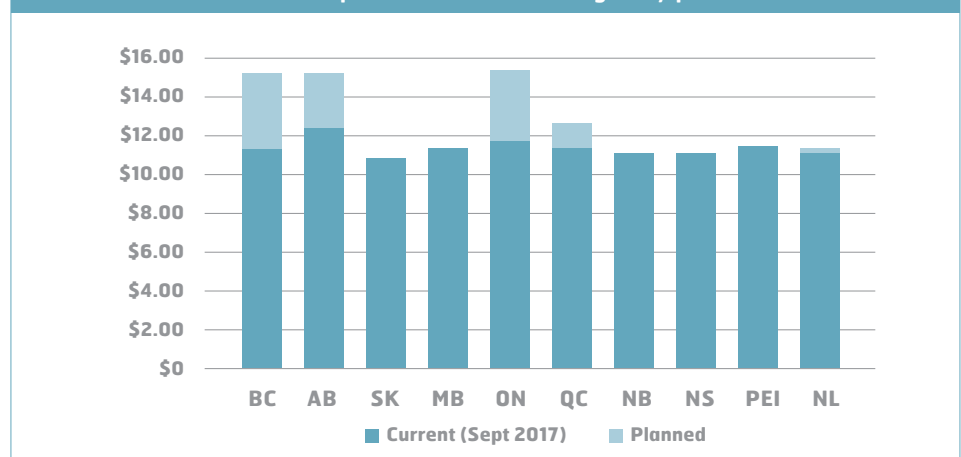
Alberta, Ontario and BC have all committed to increase their minimum wages to \$15 an hour. Alberta and Ontario have committed to specific increases while the new NDP government in BC is creating a Fair Wages Commission to establish a path to a minimum wage of at least \$15 per hour.

Minimum wages in most other provinces are around \$11 an hour. Most provinces have annual or other

semi-regular built-in processes for increasing their minimum wages. But these increases have been relatively modest, far lower than what's needed to reach \$15 in the next few years.

But these other provinces might soon be the odd ones out. Both California and New York City have committed to increase their minimum wages to US\$15 within five years, while Chicago, Oregon, Washington DC and other American cities are planning to increase their minimum wages to at least US\$12 – equal to CA\$15.

Current and planned minimum wages by province



Sources: Government of Canada, Minimum Wage Database, additional reports.

ECONOMIC BRIEFS

More people identify as working class

The Trudeau Liberals focus their rhetoric on “growing the middle class”. But an Ekos study prepared for their government reports most Canadians feel the middle class is shrinking. A growing share of Canadians identifies as working class and a clear majority (54 per cent) of those under 35 describe themselves as poor or working class. Being middle class is associated with having a secure job, being able to retire with financial security, and being in good health. Canadians are increasingly rejecting free-market policies and want governments to play an active role in ensuring a better future for everyone whether middle class, working class or those struggling to get by.

Gender equality would boost economy

Employers and businesses should look at increased equality as a benefit, not a cost, according to blue-chip consulting firm McKinsey's recent report, *The Power of Parity: Advancing Women's Equality in Canada*. Our economy could expand by up to \$420 billion (or 18 per cent of Gross Domestic Product) by 2026 if we closed the gender employment and gender pay gaps. About a third of that comes from increasing women's labour force participation, including

in higher-paid sectors, while about two-thirds comes from closing the gender pay gap. One of five priority areas the report highlights for action is reducing gender inequality in child care and unpaid care work.

IMF says Canada should increase child care funding

The federal government could easily afford to increase child care funding tenfold to \$8 billion annually, IMF researchers suggested in a recent

report. This additional funding could reduce monthly child care fees by an average of 40 per cent. The revenue that comes from more women working would fully cover these increased costs for the federal government. Analysis of Quebec's affordable early learning and childcare program came to similar conclusions: affordable, quality, public and non-profit child care more than pays for itself in economic and fiscal terms.



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