

Safari Power Saver  
Click to Start Flash Plug-in



## For wage earners, it's increasingly a woman's world

Thursday, October 9, 2014

DAVID PARKINSON

The two-speed nature of Canada's economic recovery goes beyond geographic and industrial boundaries. A significant gender gap has emerged on the income front - and it has been favouring women.

According to Statistics Canada, the median Canadian weekly wage is up 9.5 per cent since the end of 2009. Conveniently, that matches the increase of the consumer price index over the same period. So, the median real wage (i.e. adjusted for inflation) hasn't grown at all over the past five years. The lack of wage growth is considered a significant element in the economy's inability to gain more sustainable momentum.

But within this, there is a big split down gender lines. The median female wage is up 12 per cent since the end of 2009 - more than double that of the male median of just 5.2 per cent. In real terms, while women have enjoyed modest gains during the tepid economic recovery, men's typical wages have actually fallen.

This may be part and parcel with the so-called "hollowing out" of the middle-class labour force that seems to have accelerated in the aftermath of the Great Recession. Economists say we're seeing a shrinkage of middle-wage employment in advanced economies, including Canada's, in favour of more jobs at both the high and low ends of the wage spectrum - and men are absorbing the brunt of the impact.

A significant factor in this has been the kinds of jobs that suffered most in the recession, and struggled most in the recovery - namely, manufacturing jobs. Men account for roughly three-quarters of the country's factory work force; the shrinking of the sector has taken a large number of well-paying, male-dominated jobs with it.

But economists say the hollowing-out phenomenon predates the recession, and has actually been going on for a couple of decades.

In 1980, 36 per cent of Canadians had wages under \$20,000 a year (in inflation-adjusted 2011 dollars), compared with 18 per cent with wages exceeding \$60,000 - meaning that 46 per cent of Canadians were in the fat middle between those two ends of the wage spectrum. In 2011 (the most recent detailed income figures available), 38 per cent of Canadians earned less than \$20,000 a year and 22 per cent made more than \$60,000 - leaving 40 per cent in the middle, a shrinkage of six percentage points in mid-range earners.

Now, consider how men and women have fared in that time. The proportion of men earning less than \$20,000 a year has risen from 25 per cent in 1981 to 33 per cent in 2011, while the mid-range group has shrunk from 48 per cent to 38 per cent. Meanwhile, the share of women earning less than \$20,000 has shrunk from 51 per cent in 1980 to 44 per cent in 2011, and the proportion earning more than \$60,000 jumped from less than 5 per cent to almost 15 per cent.

Over all, the median female wage increased by 24 per cent in real terms from 1980 to 2011, while the median male wage fell 14 per cent.

A recent research paper, by Matias Cortes of the University of Manchester, Nir Jaimovich of Duke University, Christopher J. Nekarda of the U.S. Federal Reserve and Henry Siu of the University of British Columbia, argues that the world's advanced economies have been shedding what they call "routine" jobs - middle-earning positions that involve a lot of repetitious tasks requiring relatively little specialized training. A lot of these were blue-collar jobs - and, as it has turned out, have been the easiest to replace with automation.

In their place have arisen a growing number of "cognitive" jobs - ones that require more brains and skill. As it happens, many of the traditional female "routine" jobs, such as clerical work, were well-suited to cognitive roles even as computers took over many clerical tasks. As a result, a growing number of women have graduated to higher-paying cognitive jobs, while a growing number of men, especially those at the lower end of the educational scale, have drifted downward, into low-paying unskilled positions.

Kevin Milligan, an economics professor at the University of British Columbia, observes that men in Canada haven't been hit quite as hard as in many other advanced economies - thanks to the resource boom that has boosted the value of blue-collar labour in part of the country. Male median salaries in the Prairies have enjoyed strong gains over the past two decades. But those in the manufacturing core of Ontario and Quebec have suffered significant declines.

The evidence does indicate that technology has supplanted many traditional roles in the job market, something that has accelerated, and may well continue to do so, as businesses gear up for what looks to be a particularly competitive economic cycle. If we want to restore middle-class opportunities, especially for the male side of the work force, a premium must be placed on skills, education and training - the talents now valued in a labour market that has made a palpable and likely permanent shift to brains over brawn.

THE GLOBE AND MAIL

- [Print this Article](#)
- [E-mail this page](#)
- [Refer a colleague](#)

**On-line:** [Help](#) | [Contact Us](#) | [Globe Plus Subscription](#) | [Registration](#)

**Advertise:** [Advertise With Us](#) | [Newspaper](#) | [Magazines](#) | [Online](#) | [Marketing Solutions Group](#) | [Media Central](#) | [Classifieds](#)

© Copyright 2011 The Globe and Mail Inc. All Rights Reserved.

[Privacy Policy](#) | [Terms & Conditions](#) | [Disclaimer](#)

The Globe and Mail, 444 Front St. W., Toronto, ON Canada M5V 2S9

Phillip Crawley, Publisher