

# CANADA'S COLOUR CODED LABOUR MARKET OVERVIEW | FLIP SHEET

## HARD TO GET A JOB, BUT WILLING TO WORK

The last available Census data before the federal government cancelled the country's mandatory long form Census reveals a troubling trend in Canada.

Despite years of unprecedented economic growth and an increasingly diverse population, a colour code is clearly still at work in Canada's labour market.

The data show that if there is work to do, racialized Canadians are willing to do it: 67.3% of racialized Canadians are in the labour force — slightly higher than non-racialized Canadians (66.7%).

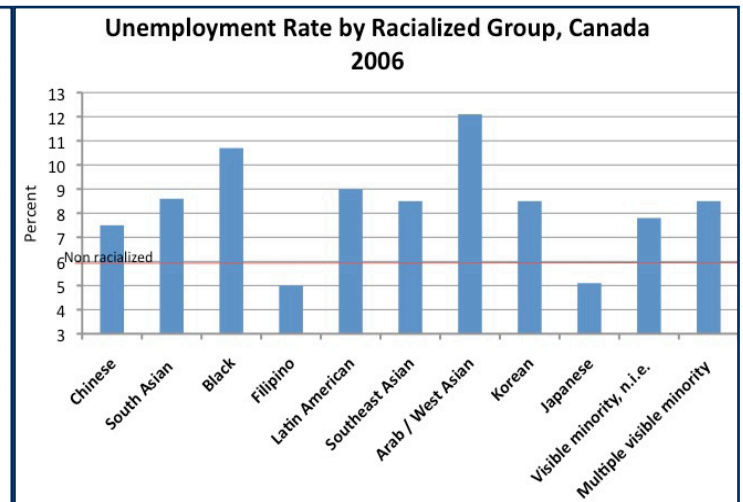
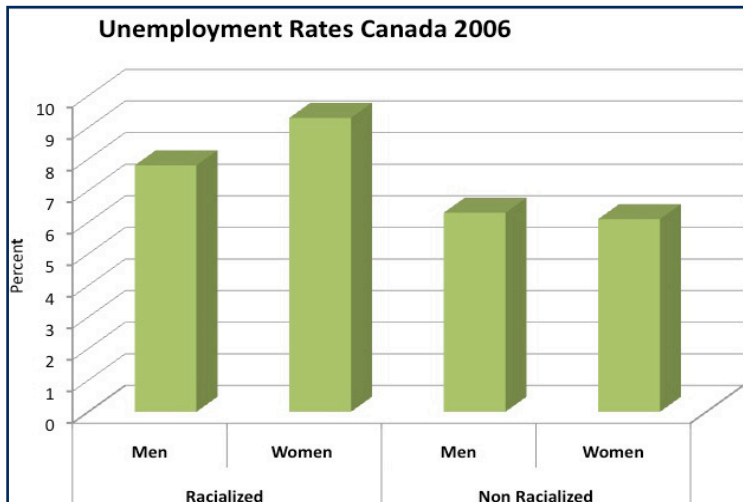
Though they're more willing to work, all racialized groups — except those who identify as Japanese and Filipino — tend

workers. These comparisons can help isolate the impact of race and gender. However, this represents a partial picture of the racialized labour market experience, since unequal access to full-time, full-year employment is one of the barriers that racialized workers and non-racialized women workers face in the labour market.

Default explanations like "it takes a while for immigrants to integrate" don't bear out as racialized immigrants have a different experience than non-racialized immigrants.

The overarching result along the dimensions of race and gender: the earnings of the three groups — racialized men, women, and non-racialized women, all trailed those of non-racialized men.

The work they're able to attain is much more likely to be insecure,



to find themselves on the unemployment line more often than non-racialized Canadians. Racialized men are more likely to be unemployed than non-racialized men. Racialized women have it worse: They're even more likely to be unemployed than non-racialized men. This may contribute to the fact that racialized women earn 55.6% of the income of non-racialized men.

## MORE LIKELY TO BE LOW-PAYING JOBS

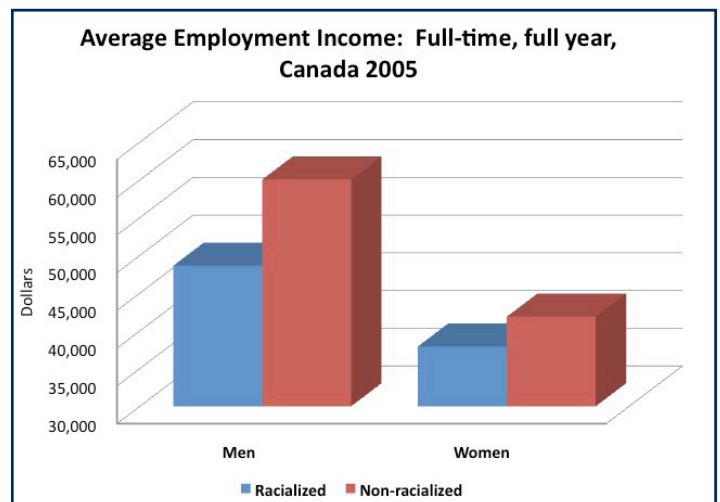
Racialized Canadians encounter a persistent colour code that blocks them from the best paying jobs our country has to offer.

The pay gap between racialized and non-racialized Canadians is large: Racialized Canadians earn only 81.4 cents for every dollar paid to non-racialized Canadians.

Looking at employment earnings by gender, we see a pronounced gendered dimension to Canada's racialized income gap. The gap is at its worst when comparing the earnings of racialized women to non-racialized men.

Generally, when trying to measure the impact of discrimination, it is more appropriate to compare incomes of full-time, full-year

temporary, and low paying. For example, racialized Canadians are over-represented in a range of traditionally low-paid business services ranging from call centres to security services, while non-racialized Canadians are not.



The Census data make clear: Between 2000 and 2005, during the one of the best economic growth periods for Canada, racialized workers contributed to that economic growth but they didn't enjoy the benefits.

On average, non-racialized Canadian earnings grew marginally (2.7%) during this period — tepid income gains considering the economy grew by 13.1%. But the average income of racialized Canadians declined by 0.2%. And this was before recession hit Canada in 2008.

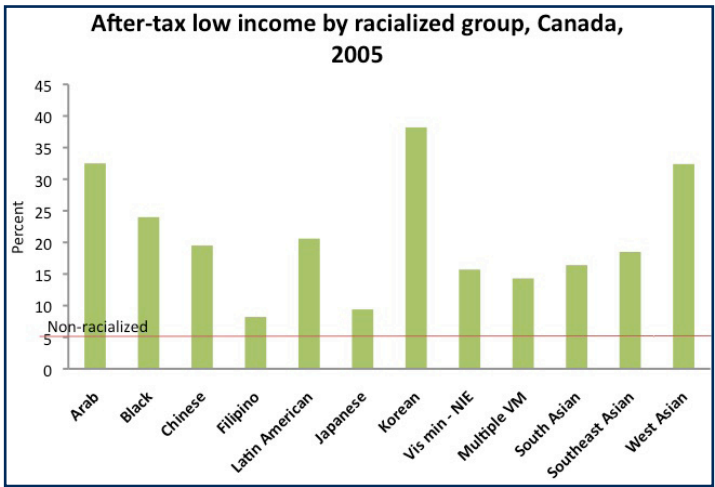
The findings raise troubling questions about one of the fastest growing groups in Canadian society. The demographic composition of Canada is quickly changing, but labour market policies are lagging. In the 1980s, racialized groups accounted for less than 5% of Canada's population. By the 2001 Census, racialized Canadians made up 13.4% of the population. Between the 2001 and 2006 Census taking, that population had grown by 27% — five times faster than the rate of growth for the broader Canadian population. In 2006, 16.2% of the population came from a racialized group. By 2031, it's estimated racialized Canadians will make up 32 % of the population.

### GROWING NUMBER OF CANADIANS LEFT BEHIND

The country's demographic composition is undergoing major transformation. If the labour market continues to relegate workers from racialized groups to the back of the pack, the number of Canadians left behind will only accelerate, calling into question the

INCOME GAP BETWEEN NON-RACIALIZED & RACIALIZED CANADIANS

- Those who identify as Korean = annual earning gap of \$11, 403
- Those who identify as Latin American = annual earning gap of \$11, 091
- Those who identify as West Asian = annual earning gap of \$11,053
- Those who identify as Black = annual earning gap of \$9, 101
- Those who identify as South East Asian = annual earning gap of \$8, 395
- Those who identify as Chinese = annual earning gap of \$4,251



promise that Canada is a fair and caring society committed to equal opportunities, no matter who you are and where you come from.

Default explanations like “it takes a while for immigrants to integrate” don't bear out. Even when you control for age and education, the data show first generation racialized Canadian men earn only 68.7% of what non-racialized first-generation Canadian men earn, indicating a colour code is firmly at play in the labour market.

The colour code persists for second generation Canadians with similar education and age with racialized men earning just 76 cents for every dollar non-racialized men make.

There is an ongoing racialization of poverty in Canada. Poverty rates for racialized families are three times higher than non-racialized families. In 2005, 19.8% of racialized families lived in poverty, compared to 6.4% of non-racialized families.

Racialized groups face a labour market in which racially defined outcomes persist. Discrimination in employment is a contributing factor to these racial disparities in labour market outcomes.

The unequal patterns of labour market outcomes and the vulnerabilities to racial discrimination that racialized group members and recent immigrants suffer not only lead to disproportionately higher levels of low income, but they also structure a racialized experience of poverty that creates social alienation, powerlessness, marginalization, voicelessness, vulnerability, and insecurity both in the workplace and in the community. This combination of factors results in higher health risks for the racialized population.

*For references and more information see the full text Canada's Colour Coded Labour Market: the gap for racialized workers by Sheila Block and Grace-Edward Galabuzi at [www.wellesleyinstitute.ca](http://www.wellesleyinstitute.ca)*

**The Wellesley Institute is a Toronto-based non-profit and non-partisan research and policy institute. Our focus is on developing research and community-based policy solutions to the problems of urban health and health disparities.**

