

Women Still Earn a Quarter Less Than Men in Canada: ADP Canada

Differences in salary, bonuses and parental leave all contribute to compensation gap



TORONTO, March 5, 2020 /CNW/ - A substantial compensation gap persists between men and women in Canada, according to a new study by Leger Research commissioned by ADP Canada. The results revealed that women continue to earn less than men in salary. Based on self-reported numbers, the study found that women earned an average pre-tax salary of \$51,352 in 2019, while men reported an average pre-tax salary of \$67,704 – a gap of 24 per cent.

When examining additional compensation (bonuses, profit sharing), men reported receiving over double the amount that women received. In 2019, men received an average of \$7,646 in additional compensation, while women received \$3,250. This marked a 25% increase for men and an 17% decrease for women, when compared to 2018.

"A substantial compensation gap persists between men and women in Canada – a gap that doesn't entail salary alone," says Nataalka Haras, Legal Counsel at ADP Canada. "The workforce of tomorrow is aware today, to look for gender biases in companies' practices and policies. For organizations to succeed in attracting and retaining the very best of workers, they will need to be transparent and take the proactive steps required to achieve pay equity and equality,"

Worker Perception on the Wage Gap

Despite the gap, many respondents felt their organization is acknowledging the bias and prioritizing pay equality. According to the findings, 68 per cent of working Canadians believe pay equality is a priority for the management of their workplace. However, men are more likely to believe their organization walks the talk, with 79 per cent of men believing their workplace compensates women and men equally, while only 67 per cent of women believe the same.

This sentiment was echoed when asked if Canada will achieve pay equality during their careers: men were more optimistic (53% vs 40% of women).

Parental Leave

Despite the new parental sharing benefit that launched in March 2019, women are still much more likely to take parental leave than their male counterparts (42% vs 16%).

Overall, Quebecers took parental leave most: 41.6 % compared to 24% average across the rest of Canada.

ADP's study found that of respondents who had taken maternity or paternity leave – which was mostly women – nearly one in three (31%) felt it restricted their career growth. Respondents from Alberta were most likely to feel this way (52%), while Manitoba and Saskatchewan were least likely (22%).

Pay Equity Moving Forward

While there is still significant room for improvement, federal and provincial governments continue to work on advancements in pay equality and equity, including the expected entry into force of the *Pay Equity Act* this year. The Act affects federally regulated companies and takes measures to secure equal pay for work of equal value. Meanwhile, pay equality, which is equal pay for equal work at the same organization, offers protection to every Canadian employee under each jurisdiction's legislation.

Key Findings

Some of the most notable findings from the survey include:

- Women are significantly more likely to have a pre-tax salary below \$50,000, while men are significantly more likely to be earning \$50,000 or more.
- Millennials are most likely to switch employers if they were to find out pay equity is not being achieved (49%). This is a strong sign that the workforce of tomorrow strongly supports equal compensation in their workplace
- Men are more likely to be a manager or executive in their workplace (28% of men were managers or

- executives, compared to 19% of women)
- Women outnumber men in the Healthcare sector (19% vs. 5% men), while men are significantly more likely than women to be working in the Technology/IT industry (11% men vs. 4% women) and Manufacturing (10% men vs. 3% women)

Regional Findings:

Atlantic Canada

- Most likely to believe Canadian companies will achieve gender pay equality while they are still in the workforce (54% compared to national average of 47%)
- Most likely to believe that women and men are compensated equally in their organization when it comes to additional compensation (88% compared to 68% average)

Quebec

- Quebecers are the most likely to have taken parental leave: 41.6 % compared to 24% average across the rest of Canada
- Most likely to believe that women and men are compensated equally in their organization when it comes to salary (80% compared to 74% national average)

Ontario

- Least likely to believe that women and men are compensated equally in their organization when it comes to salary (67% compared to 74% national average)
- Least likely to believe that women and men are compensated equally in their organization when it comes to additional compensation, such as bonuses or profit sharing (60% compared to 68% average)

Manitoba and Saskatchewan

- Least likely to believe gender pay equality is a priority for management at their organization (62.5% compared to 68% national average)
- Least likely to believe parental leave has restricted their career growth and financial compensation (22% compared to 31% average)

Alberta

- Most likely to have left an organization due to a colleague of equal standing but different gender receiving greater compensation (12% compared to national average of 8%)
- Most likely to believe parental leave has restricted their career growth and financial compensation (52% compared to 31% average)

British Columbia

- Respondents were least likely to believe Canadian companies overall will achieve gender pay equality while they are still in the workforce (39% compared to an average of 47%)
- Second most-likely to believe parental leave has restricted their career growth and financial compensation (46% compared to 31% average)

Survey Methodology

An online survey of 755 working Canadians (including those working full and part time) was completed between January 31 and February 3, 2020, using Leger's online panel. The margin of error for this study was +/-3.6%, 19 times out of 20.

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