Canadian Workplace Gender Pay Gap May Be Slowly Closing: ADP Survey

The gender pay gap in Canada narrows, but more work remains to bridge the gap on equal pay across Canadian workplaces.

TORONTO, June 20, 2023 /CNW/ - A new survey by ADP Canada, conducted with Maru Public Opinion, shows that the gender pay gap in Canada may be slowly closing, but working Canadians who self-identify as women still report, on average, earning 21 per cent less than workers who self-identify as men, a 3 percentage points decrease from 2021[1].

The survey collected self-reported gross salaries for 2022 from both part- and full-time employees and revealed the average salary reported by men was $72,743 versus $57,725 reported by women, representing a yearly deficit of over$15,000. Further, Canadian men bear higher compensation across salary levels with 33 per cent declaring earnings of over $80,000 in 2022, compared to only 18 per cent of women.

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[1] Workplace Gender Gap Hits Home: ADP Canada Survey -Mar 8, 2021

From gender 'pay gap' to 'turnover'

When respondents were asked about the impact of pay discrepancies, nearly half (47%) of Canadian workers cite they would consider leaving their current employer if they found out a colleague of equal standing, in terms of seniority and tenure, but different gender, received greater compensation than them. This sentiment was most apparent with women, as half indicated they would likely leave their employer in these circumstances, compared to 44 per cent of men Canadian workers.

The survey also revealed contrasts across generations, as the next generation of workers may be even more impacted by a 'gender pay gap turnover.' Almost two-thirds (63%) of Gen Zs, followed by 53 per cent of Millennials pointed they would consider leaving their role in case of salary inequalities across genders, against only 37 per cent of Gen X and 32 per cent of Boomers.

"While pay equity and equal access to higher paid jobs for all genders should remain an ongoing conversation within the Canadian workforce, these insights also point to the role that equal pay plays when it comes to employee retention strategies," says Heather Haslam, Vice President, Marketing at ADP Canada. "Regular salary audits can help organizations close the gender pay gap internally and ensure more fair and equitable compensation. Additionally, reviewing recruitment practices and encouraging open communication between colleagues and managers to ensure all genders feel included and have the same chances of promotion can help with attracting and retaining top talent."

Canadians trust their organization to act on inequalities

While the pay gap persists, the good news is that nearly three quarters (71%) of working Canadians believe pay equity is a priority for their organization, including 72 per cent of women and 70 per cent of men.

"The importance of building a culture of equality and transparency cannot be understated. As more Canadian workers are becoming inclined to reconsider their employment based on discrepancies in salaries, amongst other inequalities, prioritizing pay equity and embracing equal pay will give organizations an edge in hiring the best talent," concludes Haslam.

Survey Methodology

This Maru Public Opinion survey conducted on behalf of ADP Canada was undertaken by the sample and data collection experts at Maru/Blue. 1,556 randomly selected employed Canadian adults who areMaru Voice Canada online panelists were surveyed from March 6th to March 9th 2023. The results of this study have been weighted by education, age, gender and region (and in Quebec, language) to match the population, according to Census data. This is to ensure the sample is representative of the entire adult population of Canada. For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of +/- 2.5%, 19 times out of 20. Discrepancies in or between totals when compared to the data tables are due to rounding.

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For further information: Hayley Suchanek, Kaiser & Partners, 289-681-2477, hayley.suchanek@kaiserpartners.com

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