

INCOME DISTRIBUTION TRENDS AMONG MEN AND WOMEN IN CANADA

The distributions of male and female earned incomes evolve in different ways. Can public policy play a role?

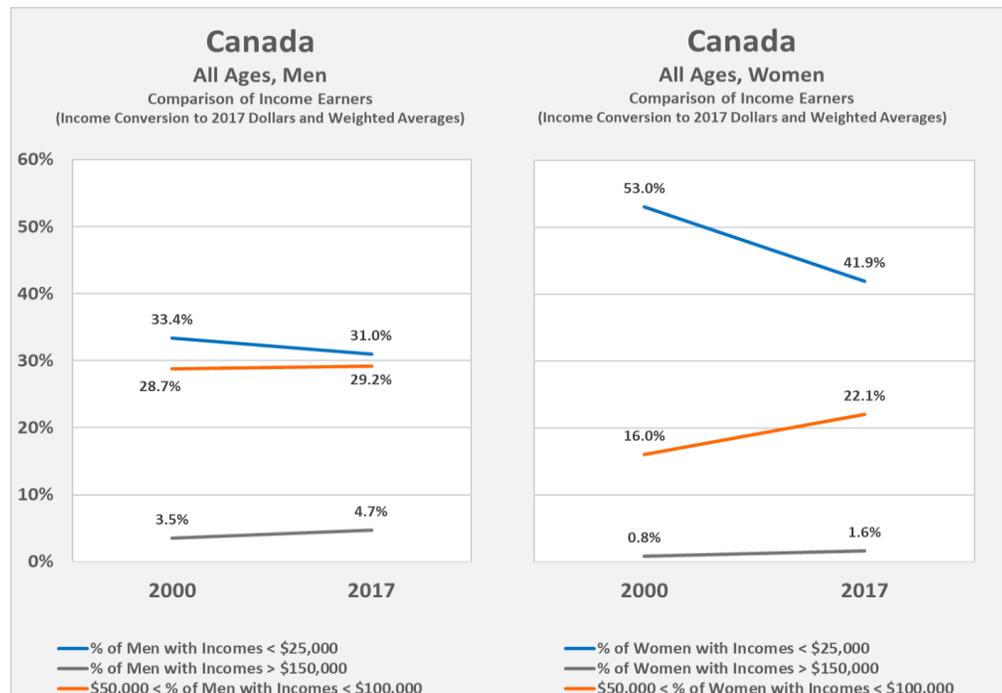
It is frequently noted that women are more likely than men to fill low-paying jobs and are less likely than men to be employed in jobs with high pay. Has this pattern changed over time? In this note, we look at how the distribution of earnings has changed for men and women since 2000.

The graphs show the percentage of employed men and women earning incomes in three income brackets: less than \$25,000, between \$50,000 and \$100,000, and more than \$150,000. Comparisons are made for two years, 2000 and 2017. Earnings are adjusted for inflation and are expressed in 2017 dollars.

In 2000, 53% of all female income earners reported pre-tax earnings of less than \$25,000 while only 33% of men did so. This confirms the frequent observation that women are more likely than men to fill low paying jobs. By 2017, the percentage of women earning low incomes had fallen to 42%. On the other hand, the percentage of women earning between \$50,000 and \$100,000 increased from 16% to 22%. For men, the percentage earning low and middle incomes had barely changed.

The percentage of women earning low incomes has fallen, while the percentage of women earning middle and high incomes has risen. Men remain more likely than women to be employed at high paying jobs.

In both 2000 and 2017, men were more likely than women to earn incomes of more than \$150,000 per year. The percentage of women earning high incomes has doubled from 0.8% to 1.6% but this is less than half the percentage of men with high incomes. Thus, the share of earners reporting very high incomes continues to be dominated by men.



Source: CANSIM Table 18100005 - All Items CPI, CANSIM Table 11100008 - Tax Filers and Dependents with Income by Total Income, and Author's calculations.

The pattern of change – falling percentage of earners receiving low incomes and rising percentage receiving higher incomes – is consistent with the [evidence](#) of rising real wages in Canada over this period. The relative slopes of the lines for men and women in the figure suggest real wages are increasing much faster for women than for men.

[Research](#) has shown that wage discrimination, occupation sorting by gender, societal norms, and the relative profitability of industries where female employment dominates, all play a role in determining these patterns. One of the roles public policy can play is in making it feasible for women to put in the long hours required to succeed in the highest-paying occupations, occupations these data suggest continue to be dominated by men. This could be partially achieved by supplying adequate childcare and by attracting women into the non-female traditional labour force.