

## **Jasmin Thomas (Centre for the Study of Living Standards)**

### **Trends in Low-Wage employment in Canada: Incidence, Gap and Intensity, 1997-2014**

In 2014, 27.6 per cent of all employees aged 20 to 64 years earned less than \$16.01 per hour (or two-thirds of median hourly wages for full-time workers aged 20 to 64 years, our low-wage benchmark cutoff). In this same year, the average low-wage employee earned approximately 79.0 per cent of the low-wage benchmark (or \$12.66 per hour), a wage gap of 21.0 per cent. Low-wage intensity, defined as the product of the incidence and the gap was 5.8. This is down from an intensity of 6.3 in 1997, the result of a slightly higher incidence (27.9 per cent) and a slightly higher gap (22.7 per cent). Using Labour Force Survey microdata, this paper examines trends in these three indicators between 1997 and 2014 at the aggregate level, and by gender, age, educational attainment, industry, occupation, and employment status. These detailed results help identify which groups face the highest rates, greatest depths, and largest intensities of low-wage employment in Canada. Since experiences across Canada can differ greatly, we also provide estimates of the incidence and the gap for low-wage jobs at the provincial level adjusting for cost-of-living differences by region. The paper also explores the implications for low-wage intensity of an increase in the hourly minimum wage to \$15.