

ECONOMIC GENDER EQUALITY INDICATORS 2000

BY WARREN CLARK

Gender equality has been identified as a priority for countries around the world. Women are making gains, but persistent disparities exist between women and men. The gender equality indicators presented here were developed in conjunction with Status of Women Canada to measure the balance of the experiences of Canadian women and men in three domains: income, work and learning. This is the second edition of the indicators. The first was released by the Federal-Provincial/Territorial Ministers Responsible for the Status of Women in October 1997.¹

The gender equality indexes use ratios of women to men to show the differences between the sexes for a given measure of equality. A ratio of 1.0 means women and men are equal. An index above or below 1.0 indicates inequality or imbalance for that measure: below 1.0, women have less than men; above 1.0, they have more. A gap that is closing over time, converging on 1.0, may result from changes in women's situation, or in men's situation, or both.

1. More information on why these indicators were selected and the conceptual and data issues faced in developing them and how they are intended to stimulate public policy discussion can be found in the original 1997 publication, *Economic Gender Equality Indicators*, available at <http://www.swc-cfc.gc.ca/publish/egei/layoute.pdf>. The historical data in the original publication may differ due to small changes in definitions and revisions to the raw data.

DOMAIN: INCOME

Traditionally, gender imbalances in income have been measured by comparing the full-time full-year earnings of women and men. This is a limited approach because women more often work part-time or part-year than men, making their sources of income more varied and less concentrated on earnings. The income indexes used here recognize all income and earnings of women and men, regardless of their employment status.

DOMAIN: WORK

The decisions people make about dividing their time among work, family and leisure have numerous implications. Work performed by women is often invisible to current measures of economic progress because only goods and services exchanged for pay are included. Unpaid work—the vast majority of which is still performed by women—is not counted. As everyone has the same amount of time every day, time spent doing paid and unpaid work provides another measure of equality.

Paid work is work performed for remuneration, whether in a separate workplace or at home, and includes wages, salaries and income from self-employment. Unpaid activities are classified as *unpaid work* when the goods or services produced could have been purchased in the market. For example, unpaid work includes meal preparation, since a meal could be bought at a restaurant; likewise, childcare or eldercare are included, because these services could be purchased from daycare centres or retirement homes. In contrast, someone else cannot sleep, learn and travel to and from work for another person, so these activities are not classified as unpaid work.²

DOMAIN: LEARNING

Education has been and continues to be a critical element in economic well-being. Not only must people be well-educated when they first enter the labour market, they continually need to learn new skills to take advantage of new opportunities as they arise. These indicators assess the gender balance in university education and work-related training as well as women's return on their investment in education.

2. The General Social Survey (GSS) estimates of total work include education and related activities and commuting. See *Overview of the Time Use of Canadians in 1998*. Statistics Canada Catalogue no. 12F0080XIE.

INCOME

Total income index

The total income index compares the average total income of women and men.³ In recent years, the total income index has increased, indicating that the gap in total income between genders is narrowing. In 1997, the average total income for Canadian women aged 15 or over was about \$18,000 compared with \$30,900 for men. The total income equality index for that year was 0.58, meaning that overall women received about 58% as much income as men (see Figure 1).

Total after-tax income index

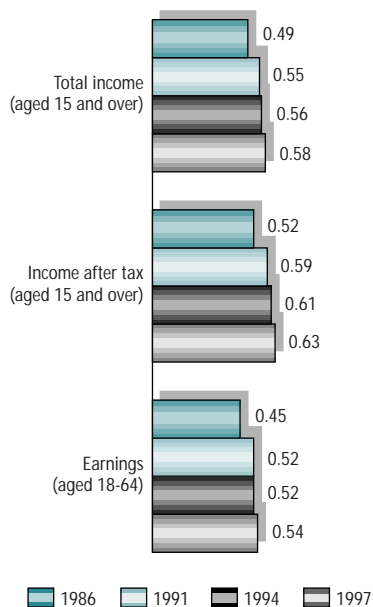
The Canadian income tax system is a progressive one, allowing those with less income to keep proportionately more of their money.⁴ Because women's income is lower than men's, the total after-tax income index is higher than the total income index. In 1997, the after-tax income index stood at 0.63, up from 0.61 in 1994 (see Figure 1).

Total earnings index

This index compares the earnings of women and men aged 18 to 64 and includes those who have no earnings for various reasons (for example, unemployment, disability or full-time childrearing at home). The index includes earnings from part-time work, where women predominate. For this reason, it is lower than the full-time, full-year wage ratio that is often used to measure the wage gap. In 1997, women earned \$16,300 compared with \$29,900 for men, resulting in a total earnings index of 0.54. Like the other income indexes, the imbalance in earnings between women and men has declined since 1986 (see Figure 1).

FIGURE 1

Gender equality indexes for total income, total after-tax income and total earnings



Source: Statistics Canada, Survey of Consumer Finances.

- Total income includes all income received by an individual during a calendar year from sources such as wages, salaries, self-employment income, investment income, net rental income, pensions, employment insurance, child and spousal support payments and government transfers. Money received from irregular sources, such as windfall gambling gains, inheritances, realized capital gains, or income-in-kind is excluded.
- Other taxes—such as sales or property taxes—also affect disposable income but are not factored into this index.

Analysing the gender gaps

Gender differences in income and earnings may be accounted for in part by women's concentration in part-time work and low-paying occupations; women's overrepresentation among lone parents; and women's overrepresentation among seniors who have low earnings. Calculations were made to account for these and other socio-demographic differences.⁵ In 1997, these adjustments reduced the gender gap by seven percentage points in after-tax income and eight percentage points in earnings (see Figure 2).⁶

WORK

Total workload index

The concept of total workload encompasses both paid work and unpaid work of economic value. In 1998, Canadian women aged 15 and over spent 7.8 hours per day working at paid or unpaid work while men spent 7.5 hours working. The total workload index was 1.04 in 1998, down from 1.08 in 1986. While the gap is shrinking, women work an average of about 15 minutes more per day than men. This imbalance in total work seems to be greatest for young

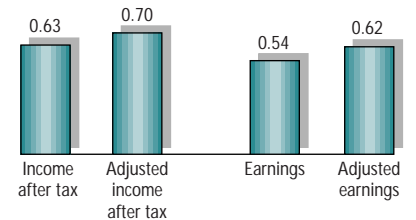
TABLE 1
Gender equality index for workload, by age group, 1998

Age of respondent	Total workload index	Paid work index	Unpaid work index
15 and over	1.04	0.62	1.56
15-24	1.18	0.80	1.74
25-34	1.03	0.63	1.75
35-44	1.02	0.60	1.67
45-54	1.01	0.65	1.56
55-64	1.06	0.59	1.42
65+	1.11	0.39	1.19

Source: Statistics Canada, General Social Survey.

FIGURE 2

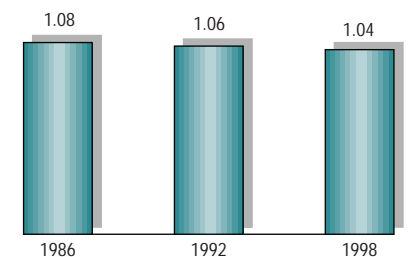
Gender equality indexes for income after-tax and earnings, before and after accounting for socio-demographic factors, 1997



Source: Statistics Canada, Survey of Consumer Finances.

FIGURE 3

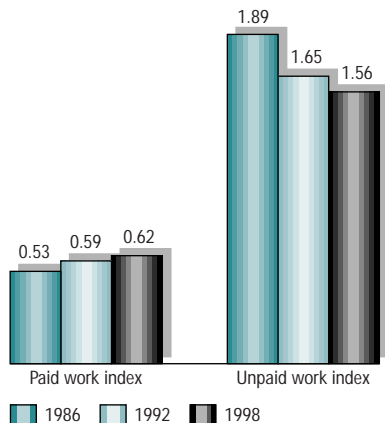
Gender equality index for total workload



Source: Statistics Canada, General Social Survey.

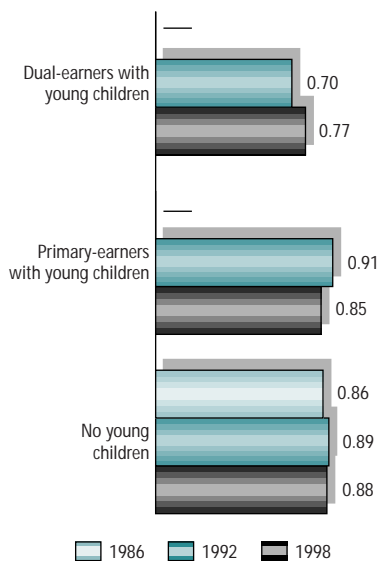
5. To eliminate the impact of age, occupation, education, types of employment and family status, average after-tax income and earnings were standardized to show what the pattern would look like if women and men were equally represented in four age groups (15 to 29, 30 to 49, 50 to 64, 65 and over); in 16 occupational categories; in four education groups (less than grade 10, grade 11 to 13, some postsecondary including postsecondary diploma or university degree); in three types of employment (full-time, part-time and no employment); and in two types of family status (a child under 6, no child under 6).

FIGURE 4
Gender equality index for paid and unpaid work



Source: Statistics Canada, General Social Survey.

FIGURE 5
Paid work index for women and men aged 20-44, employed full-time



Source: Statistics Canada, General Social Survey.

women aged 15 to 24 (1.18) and for senior women (1.11), while women aged 45 to 54 experience near equity (1.01) (see Figure 3 and Table 1).

Paid work and unpaid work indexes

Men still spend much more time than women in paid work activities while women spend more time in unpaid work activities. While the gender gap in both paid and unpaid work remains substantial, it declined between 1986 and 1998 (see Figure 4).

Paid and unpaid work ratios by household structure

The distribution of paid and unpaid work between women and men varies with the presence of young children and multiple earners in a household. Separate work indexes were calculated for women and men aged 20 to 44 who are employed full-time. Three household categories of individuals were examined: dual-earners (both spouses employed full-time) with young children (children under age six); primary-earners (two-parent households, other spouse not working full-time) with young children; and earners without young children.

In both 1992 and 1998, women devoted less time to paid and more time to unpaid work, regardless of the household structure. For dual-earners with young children, the differences in paid work between women and men declined. In contrast, the index fell from 0.91 to 0.85 for primary-earners, suggesting that the imbalance is increasing. The change to the imbalance for earners with no young children was very slight. However, because few women are primary-earners with young children, the estimates have high sampling variability. This in turn results in no statistically significant change in the paid work index (see Figure 5).

The unpaid work index shows that, over time, the imbalance between women and men has declined for both dual- and

6. For an analysis of gender differences in wages in Canada and the United States in the late 1980s, see Baker, Michael and Nicole Fortin. 2000. *Gender composition and wages: why is Canada different from the United States?* (Statistics Canada Catalogue no. 11F0019MPE, no.140)

primary-earners with young children. The index for earners without young children was about the same in 1998 as in 1992 (see Figure 6).

Beneficiaries of work

Unpaid work by women and men benefits many people both inside and outside the household. Some unpaid activities such as child care and volunteer work have obvious beneficiaries while other activities such as housekeeping, or shopping for goods and services or cooking and cleaning may benefit the entire household or individual members of the household. For the purposes of this comparison, and because work related to children is one of the most important factors affecting women's economic situation when compared with men's, only child care is examined here.

In 1998, women dual-earners aged 20 to 44 with young children spent more time than men caring for their children on an average day—147 versus 85 minutes. This resulted in an index of 1.72, indicating that women dual-earners spent an estimated 72% more time on child care than men dual-earners. Though women still spend more time on child care, the imbalance between mothers and fathers declined between 1992 and 1998. The index for primary-earners in particular declined, from 1.71 to 1.27, which reflects a drop in time spent on child care activities for women and an increase for men. In 1998, primary-earner women with young children spent 107 minutes on child care during an average day, compared with 85 minutes for primary-earner men (see Figure 7).

LEARNING

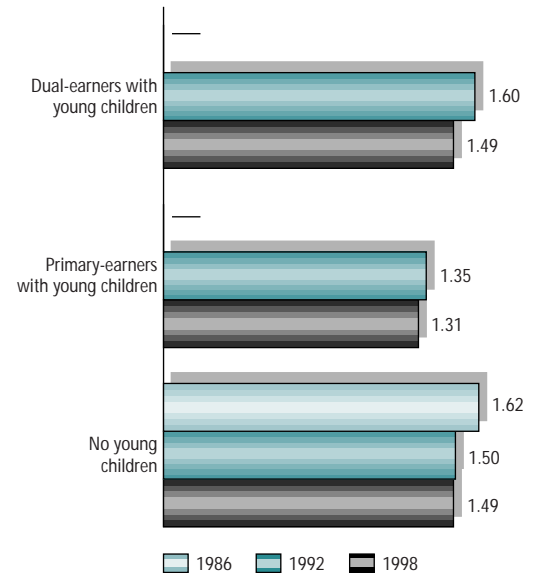
University degrees granted indexes

The university degrees granted index compares the concentration of women in female-dominated, gender-neutral and male-dominated fields⁷ of study for university degrees.

7. Male-dominated fields include those where more than 60% of degrees were granted to men. Female-dominated fields include those where more than 60% of degrees were granted to women. In all other cases, the fields are classified as 'gender neutral'.

FIGURE 6

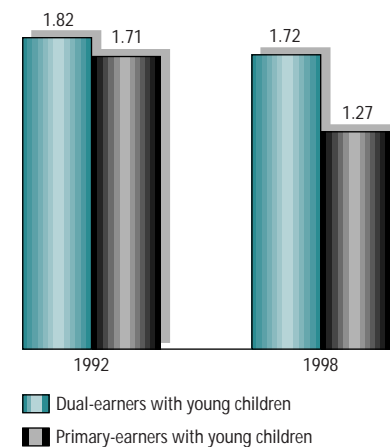
Unpaid work index for women and men aged 20-44, employed full-time



Source: Statistics Canada, General Social Survey.

FIGURE 7

Child care index for women and men aged 20-44, employed full-time

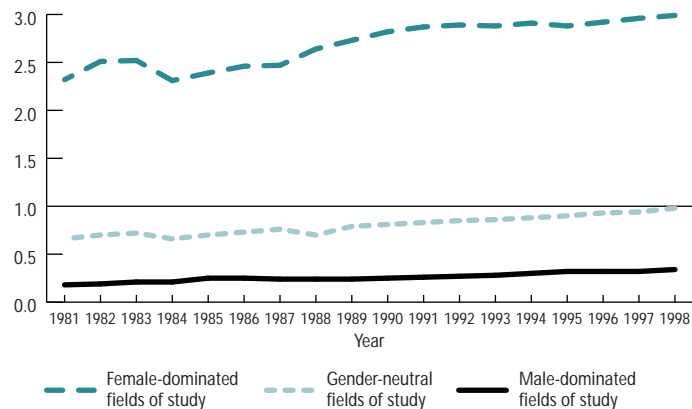


Source: Statistics Canada, General Social Survey.

Between 1981 and 1998, more women entered traditionally male-dominated and gender-neutral fields. As a result, the index shows that women's share of degrees granted has increased in all three categories of fields of study, even in female-dominated fields. Although more women are graduating from male-dominated and gender neutral fields (creating greater gender balance in those fields), more are also graduating from female fields, which accentuates the imbalance in those fields (see Figure 8).

FIGURE 8

Gender equality indexes for university degrees granted



Source: Statistics Canada, University Student Information System (USIS).

FIGURE 9

Gender equality indexes for training participation in Canada



Source: Statistics Canada, General Social Survey.

Training indexes

The training participation index shows the extent of employed women's participation in employer-supported training or job-related training.⁸ In 1997, employed women were more likely than men to participate in training designed to develop new skills and knowledge (see Figure 9). However, the training time index, which compares the actual time spent in training, shows that, although women received less employer-supported training than men in 1997, they received more job-related training. This suggests that women compensate for less employer-sponsored training by paying

8. The training participation index is calculated based on the ratio of the percentage of employed women aged 25 to 49 who took training in the previous 12 months related to the percentage of employed men aged 25 to 49 who did. Separate indexes were calculated for employer-supported training (training paid for or supported by the employer) and job-related training. Job-related training includes both employer-supported training and job-related training paid for by employees themselves.

for job-related training themselves and by taking it on their own time (see Figure 10).

Occupational return on education index

This index examines the gender imbalance in the return on investment on university education in terms working in a high-level job.⁹ In 1986, 51% of women university graduates worked in high-level jobs compared with 74% of men, and the occupational return index was 0.69. By 1998, 49% of women and 62% of men university graduates aged 25 to 64 were working in high-level jobs, resulting in an index of 0.78.

While both men and women university graduates were less likely to be in high-level jobs in 1998, the gap between women's and men's in return on a university education had narrowed (see Figure 11). ■

9. The index is based on the percentage of university degree holders aged 25 to 64 who work in a high-level job. High-level jobs are defined as the three highest categories of the Pineo socio-economic classification of occupations (i.e., self-employed professionals, employed professionals and high-level managers). This classification is based on job income and other characteristics that are related to societal status or prestige. These groups include occupations in health diagnosing, architecture and engineering, social sciences, physical sciences, elementary, secondary and university teaching and government administration. This scale was originally developed in the 1970s and was updated using 1981 census data. Further efforts are needed to design a scale using more recent job evaluations.

FIGURE 10

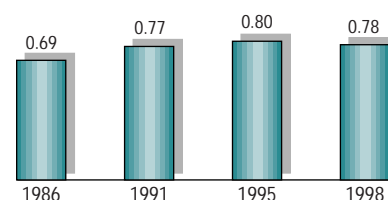
Gender equality indexes for training hours



Source: Human Resources Development Canada and Statistics Canada, Adult Education and Training Survey.

FIGURE 11

Gender equality index for occupational return on education



Source: Statistics Canada, Survey of Consumer Finances.

RECENT PUBLICATIONS DEALING WITH GENDER ISSUES

Baker, Michael and Nicole Fortin. 2000. *The gender composition and wages: Why is Canada different from the United States?* (Statistics Canada Catalogue no. 11F0019MIE00140)

Statistics Canada. 2000. *Women in Canada 2000: a gender-based statistical report.* (Statistics Canada Catalogue no. 89-503-XPE)

Statistics Canada. 1999. *Overview of the time use of Canadians in 1998.* (Statistics Canada Catalogue no. 12F0080XIE)